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Author:

**National Association of
Wool Manufacturers**

Title:

**Arguments against the
Capper bill S.799**

Place:

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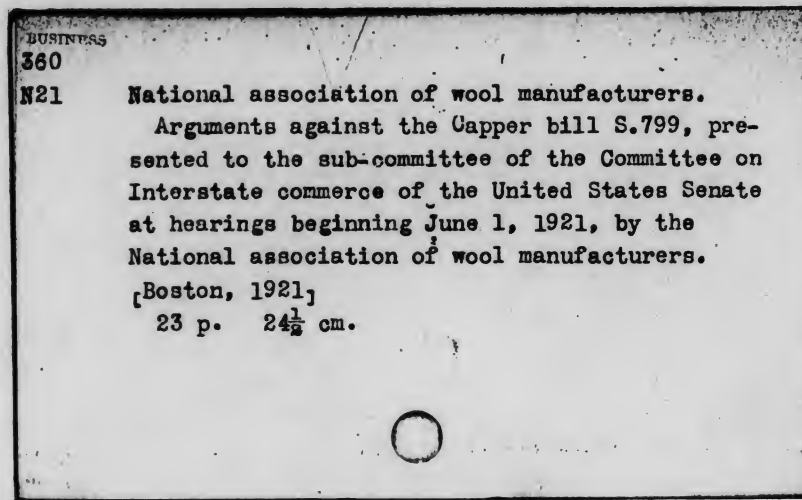
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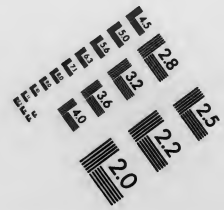
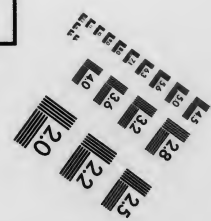
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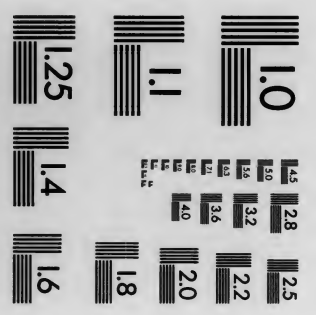
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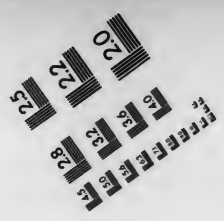
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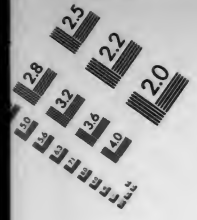


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ARGUMENTS AGAINST
THE CAPPER BILL S. 799

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ARGUMENTS AGAINST
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PRESENTED TO THE SUB-COMMITTEE
OF THE COMMITTEE ON INTER-
STATE COMMERCE OF
THE UNITED STATES SENATE AT
HEARINGS BEGINNING
JUNE 1, 1921

∴

By

THE NATIONAL ASSOCIATION
OF WOOL MANUFACTURERS

ARGUMENTS AGAINST
THE CAPPER BILL S. 799

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OF THE COMMITTEE ON INTERSTATE COMMERCE
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THE NATIONAL ASSOCIATION OF
WOOL MANUFACTURERS

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ARGUMENTS AGAINST THE CAPPER BILL S. 799.

The arguments against the compulsory branding of wool fabrics as prescribed and which are discussed in detail in the following statements are:

1. The proposed plan sets up false and misleading standards for judging qualities of fabrics.
2. Branding as proposed will add to the producing and distributing costs of wool fabrics.
3. The protection of the public against misleading statements about wool fabrics cannot be secured by this law but can be secured by the passage of another measure now pending in Congress.

ARGUMENTS AGAINST THE CAPPER BILL S. 799.

I. *The proposed bill sets up false standards for judging qualities of fabrics.*

1. There is much confusion concerning what is called the consumer's "right to know" what he wants to know about the goods he purchases. Whether there is such a "right" and the nature and limits of it if it exists, are complex legal questions. The right certainly is not equally apparent or imperative under all conditions. The proposed plan for the compulsory branding of wool textiles so as to give specified information about their fiber content is on an entirely different footing from the hallmarking of silver or the labeling of drugs, because the brands stipulated give no information related to those qualities of the fabric which determine its value. Whether or not there is any "right to know," at least it may be questioned whether any group of consumers possesses the right to impose on an entire industry and trade the inconvenience, and on a whole group of consumers the added cost, of compulsory branding to bring out certain immaterial facts, no matter how interesting those facts may be to the

agitating group. The "right" involved in such a case is not the "right to know" but the "right" to compel the giving of information which is no sure guide to quality and which, by its nature, may be misleading.

2. Suppose we concede the "right" of the consumer to perfect and complete knowledge about everything he buys. The existence of such a "right" would not justify compulsory branding of any article with incomplete and misleading information having no relation to the intrinsic properties of the purchase. This is precisely what the Capper bill makes obligatory. It is not a matter of opinion but of recognized fact that some reworked wool is better than some new wool. The compulsory branding of all fabrics would create the impression with respect to those made of inferior new wool fiber that their fiber content was of high grade when it might not be—as when all fabrics of new wool would be given a hundred per cent. virgin wool brand. This would be unfair to the consumer. It would be equally unfair, on the other hand, to make compulsory a branding of other fabrics in such a way as to foster public prejudice against them, as would be the case when a fine broadcloth would be marked to show the amount of reworked stock used in making it even though that stock might be of superior quality. Both of these misrepresentations would be made not merely possible but compulsory by any bill compelling the branding of fiber content alone.

3. So far as the distinction between wool and other fibers is concerned, the public is adequately protected. This is a useful distinction because wool and vegetable fibers have different physical properties. Wool fabric manufacturers of standing never are guilty of that form of fraud which calls a fabric "all wool" if it contains anything except wool fiber. Simple tests make this form of fraud easy to detect. This term protects the public against the presence of vegetable fibers.

4. Any special designation of these animal fibers to show whether or not they had previously been spun or woven would give the public no useful information as to the inherent

properties of the cloth. If any wool manufacturer believes it to be to his advantage, or that of his customers, to give such information, that is his privilege. This bill makes it obligatory on all. The distinction between new wool and reworked wool is not a distinction based on qualities or properties but on the previous history of the fiber in use. It is our purpose to show that this distinction at best is valueless and at worst may be seriously misleading. To make indication of it obligatory would result in costly deception of the fabric-buying public.

5. This plan for protecting the public by distinguishing between new and reworked wool might be of value if it were true that even the poorest of new or virgin wool is a better material for making wearing apparel than any reworked wool, or "shoddy," even the best of it. This is not true. Much reworked wool is a better textile material than are many types of virgin wool. This is a fact capable of simple demonstration. Any system of branding which is based on a classification of fabrics taking nothing into consideration except their fibre content is certain to be misleading since the presence, absence, or proportion of new wool or any other fiber is no fair measure of the value of the fabric. Such a system of branding, if adopted voluntarily or in individual cases, would be open to suspicion as misleading. To force it on all wool goods would fix a stigma on all reworked wool and put a premium on all new wool, regardless of the qualities of either. Instead of protecting the consumer in selecting fabrics, it would add to his difficulties. Many other facts must accompany this knowledge to make it significant, such as the number of threads to the inch, the yarn specifications, and the nature of the weave or finish. Any one of these items of knowledge would be quite as good a measure of the quality of the fabric as the nature of the fiber it contains. The truth is that all these items, besides the intrinsic properties of the cloth, are taken into consideration by those skilled buyers who serve between the manufacturer and the consuming public. But knowledge on any one or all these points together would constitute, in the hands of the public, a hindrance to honest business, no safeguard against fraud, and a rich

opportunity for deception. The standard for judging fabrics which it sets up is a misleading one.

6. Such a bill as is proposed could not have the effect claimed for it of "letting wool and shoddy each stand on its own merits." The enforced indication of the percentages of new as against reworked wool and other material in the fabric would be quite as misleading in many cases as the expressed or implied misrepresentations which this marking is designed to prevent. There is a public prejudice in favor of new wool regardless of quality and against reworked wool, whether good or bad. Poor fabrics of new wool would be so branded as to augment their real value. Good fabrics containing reworked wool would be at a discount. In either case public prejudice would be capitalized. The consumer would lose in the first case by a less return for his money; in the second, by the withdrawal from the market of many cheap fabrics of good quality.

7. To be of value to purchasers, any standard for judging quality in accordance with which it is obligatory to mark goods must have a direct relation to the properties sought by the buyer. Fabrics (and the clothing made from them) are bought on the basis of their appearance, warmth, and wearing qualities with a definite relation to the price charged. No reasonable person expects to get for \$17.50 a suit of clothes with all of the same properties he would expect in a suit for which he paid \$75. It is not his desire that he should. His concern is that the suit he buys at \$17.50 shall be of as pleasing an appearance, as great warmth, and as great durability as can be obtained for that price. The lack of brands showing fiber content does not facilitate the sale of fabrics at more than their market value, nor would the presence of such brands make it more difficult to deceive purchasers. A knowledge of the percentage of the component materials could have no value to the buyer unless this knowledge enabled him better to know what to expect in the way of desired qualities. This the proposed marking of fabrics would not do, for these qualities depend far more on the way the materials are handled in manufacture than they do on the precise nature of the materials themselves.

8. The use of other fibers in connection with wool is necessary and has a legitimate place in the wool manufacture. This point manifestly is not open for discussion. The point raised by this bill is whether the use of material other than new wool should be indicated. This clearly depends on whether the chance of the public's being deceived or cheated is greater with or without such indication. This can only be determined as a result of weighing the facts of the case. Unlike food, a fabric of any quality may be worth what is charged for it. An egg, for example, as a food, is either wholesome or it is injurious. A fiber on the contrary may still be worth a price even if it is inferior in quality. The best of new wools go into high priced fabrics. But there is also a demand for low priced and medium priced fabrics. These cannot be made of expensive wools; they must be made of cheap wools or of substitutes. Hence there is a market for even poor wools at some price. The selection of a substitute to be used for new wool is the result of two factors—the intrinsic properties of the substitute and its price as compared with wool. Of all substitutes for new wool, that having the closest resemblance in all essential properties is high grade reworked wool. This, of course, is wool, and the only mark of inferiority is the fact that it has been used before. The extent to which reworked wool is used in the wool manufacture of England and the United States is shown by figures attached. In brief, the facts are that in England, in normal times, about a quarter of the fiber used in producing all wool fabrics is reworked wool, and in this country the percentage is less. By the census of 1914 the total of reworked wool used in the American woolen and worsted industries was 86,000,000 pounds as compared with 434,000,000 pounds of new wool. It is clear that a material used on such a scale must have a legitimate place in the industry, and that instead of being an adulterant in the ordinary sense, reworked wool is a supplement to the new wool stock. It would tell the consumer nothing of value to indicate to him, regardless of quality, the percentages of various kinds of new or reworked fiber stock. On the contrary, his judgment would be distorted, and the manufacturer would be unfairly penalized for using many excellent materials of low price.

9. Reworked wool is not, as sometimes popularly believed, a foreign or necessarily inferior material, fraudulently smuggled into fabrics to the detriment of the purchaser. It is wool which has been used previously in manufacture and instead of being thrown away is reworked into the new fabric. Wool, intended by nature to protect the animal for its lifetime, is practically indestructible except by fire and moth. To scrap all the wool which has once been made up into cloth because it is in the form of clippings too small for garments, or because it forms part of a garment which is worn out in places or is out of style, obviously would entail a tremendous waste and greatly increase the cost of clothing and other woolen goods. To avoid this waste inventors and manufacturers for many years have striven to design machines and originate processes by which this woolen material may be effectively saved and woven into new fabrics which can be sold at a much lower price than similar fabrics of new wool. The author of a special report on the shoddy industry of France and England, published by the Department of Commerce a few years ago, has the following to say about the use of reworked wool fiber:

"A hundred years ago wool waste and old rags were disposed of by burning or by being used as fertilizers, but they now enter largely into the clothing requirements of the world, and by their cheapening effect have done much to popularize woolen clothing for the masses. The increasing use of waste materials and of by-products of manufacture is a sign of the increasing economic efficiency of mankind, and as the world is rapidly becoming more and more crowded the economic use and re-use of all available fibers will become of more and more importance."

10. Reworked wool fiber is now available in great variety and at prices closely following the value of the various grades. Millions of pounds of the raw material of the shoddy industry are new clips of fresh cloth cut from the patterns of garments in clothing factories. The disagreeable features of the reworked wool industry are magnified by constant emphasis on the fact that "rags" are used in producing them, and the impression is created that all reworked wool is filthy and unworthy stuff. To foster this impression is as unfair as it would be to emphasize the filthy habits of sheep and call new wool vile names because of the fact that before manu-

facture it has had a very dirty history. The processes of reworking wool cleanse the fiber so that reworked wool is in no wise inferior to new wool so far as cleanliness is concerned. The important point is not whether either type of fiber is cleaner, but it is the fact that a buyer of reworked stock can get as good a fiber with respect to condition or strength as he is willing to pay for.

11. The proposed depreciation of the marketability of reworked wools has been defended on the ground of its effect in stimulating the wool-growing industry in this country. Almost without interruption for the past fifty years this country has imported each year a large percentage of its wool supply notwithstanding heavy tariff duties. This fact makes it clear that wool is bought because of its qualities for certain definite purposes rather than on account of its price per pound regardless of type. It completely refutes, also, the statement that the use of reworked wools has had any serious deterrent effect on wool growing in this country. If the use of reworked wools were retarding the use of new wools, importations of wool would have been checked before domestic production of wool could be seriously affected.

12. The use of cotton in connection with wool in fabrics would be discouraged by this law. Next to reworked wool, cotton is the most important supplement to the wool supply. The total amount of cotton and cotton yarn used in 1914 in the production of woolens and worsteds was over sixty million pounds. It is employed in the manufacture of cotton-warp worsted filled goods (which give great strength and protection at much less cost than all-wool fabrics), and also in the manufacture of goods with worsted warp and cotton filling, and goods of blended cotton and wool fiber, called "unions." In addition, cotton is used for purposes of decoration. Never in the course of normal trade are goods containing cotton offered for sale by wool manufacturers as "all-wool." This practice is fraudulent, and it also is unprofitable. The presence of cotton can easily be detected by a variety of tests in common use, and the extensive purchases of goods by skilled buyers, as in the case of clothing manufacturers, would make it impossible to avoid detection if the presence of

cotton were misrepresented. All these fabrics would by the bill be put at a disadvantage in competition with all new wool fabrics regardless of their relative merits.

In summary, the first point established is that the bill sets up false standards for judging quality. It follows inevitably that the establishment of such standards would tend to put a premium on fabrics of virgin wool no matter how inferior they might be, and to put an unfair stigma on fabrics containing any appreciable quantity of other materials no matter how desirable those fabrics might be. The branding of the merchandise on the basis of a false standard of quality gives to the public no guaranty that the fabrics, whether of new wool or of mixed materials, possess the properties desired and paid for. On the contrary, it would facilitate and promote deception.

II. The proposed bill will add to the difficulties and the cost of manufacturing and distributing wool fabrics.

1. Reworked wool is employed in the manufacture of carded woolens and not in the manufacture of worsteds. Of all-wool carded woolen woven goods 85.5 million square yards were produced in 1914. In the same census year, there were produced 237 million square yards of all-wool worsted woven goods. In the making of worsteds the use of reworked wool is practically impossible. In addition to these all-wool woven goods there were produced 196 million square yards of cotton warp woven goods and 46 million yards of "unions," or fabrics of blended cotton and wool fiber. Carded woolens (in which alone reworked stock is used), including fine broadcloths, meltons and other high grade fabrics, cannot be sweepingly declared to be inferior to worsteds. It would be a serious burden on the public to impose a marking system on every yard of 565 million yards of woven fabrics in order to give the public a wholly meaningless knowledge of the percentage of materials in an indefinite portion (certainly less than one-half, and by one of the chief advocates of the bill reluctantly admitted to be as little as twenty per cent.) in which reworked wool could be used at all, to say nothing of its being used fraudulently. As will be pointed out sub-

sequently, this would add millions of dollars a year to the cost of producing clothing fabrics in this country. The cost in the clothing industry would be even greater.

2. Concerning the direct cost of marking fabrics of wool as required by the bill, it is difficult to make definite statements. On the basis of the census of 1914 over 565,000,000 yards of fabric would require marking. No past experience is available to serve as a basis for estimating what the cost per yard of marking on this scale would be. If it were a negligible amount like one-half cent per yard the total cost would be \$2,850,000. At the rate of two cents a yard it would be \$11,300,000, and if it involved a cost of five cents a yard the total increase in the cost of cloth would be \$28,000,000 on the yardage of 1914. The real point to be observed in this connection is the fact that nobody knows what it would cost because marking like this never has been done on such a large scale.

Three methods of marking alone are available for use. In one, by attaching a dobbie head to each loom on which cloth is woven, the required data could be woven into the selvage of the goods. This, however, would be an expensive method of marking, and while perhaps necessary in some cases would so disturb the production processes and add so materially to production costs that its use would be very restricted. Another method of marking fabrics in accordance with the law, which is much cheaper, would be by means of a transfer stamp. This process is covered by what are known as "Kaumagraph" patents, which still have a number of years to run. The Kaumagraph attachments now in use are all attached to measuring machines of certain types made by one concern. In connection with these particular machines the attachment is a device of demonstrated practicability, although its use slows down the speed of the measuring machine on wool goods to 45 yards per minute, whereas its normal capacity on wool goods is nearly twice that. The use of the Kaumagraph in connection with any other machine is still in an experimental stage. Moreover, there are less than a score of mills now equipped with these Kaumagraph attachments now engaged in wool manufactur-

ing. At anything like the present rate of production for the attachments it would take years to equip the mills of the country. The only other feasible method of marking by transfer stamps is to apply stamps by hand, having the device in transfer material on paper strips and transferring it to the cloth by use of a hot iron. This would be extremely expensive and would involve costly changes in packing rooms. The third method of marking, by means of stencils, is less satisfactory than either of the others described.

Briefly, the conditions with respect to the mechanics of marking are these: Mechanically it is feasible; actually, the necessary equipment is not available and could not be for all the industry for several years; in the meantime hand marking would have to be resorted to, the cost of which would be heavy. Even granting that the necessary machine equipment eventually could be secured, the cost of introducing and operating such a system of compulsory branding would be considerable, as each attachment would represent an initial outlay of several hundred dollars in addition to the cost of operating. The cost per stamp might be small, but the changing of brand reels with each fabric made, the safeguarding against the use of wrong reels, the storage and handling of numerous reels of different percentages and in colors to suit different fabrics, would involve extra employees and capital outlay.

3. These figures make no allowance for the cost of registration or of the government inspection service necessary to check up the accuracy of marks. No estimate of this inspection cost can be made, but it probably would not cost less than the Federal meat inspection service, which was \$4,413,000 for the fiscal year ended June 30, 1920, and which is estimated to be \$4,518,000 for the present fiscal year.

4. These are only the direct costs of carrying out the proposed measure; many indirect costs would develop. For example, in many cases the textile worker's pay is based on the rate of production. The retarding of production would be certain to increase the wages cost per yard. It is difficult to put into figures these and similar indirect costs, but they would be substantial and ought not to be ignored. These

and even greater additions to cost might be justified if in return for them the consumer received some adequate compensation in the way of security against some serious and commonly practised fraud. But he would not; he would get merely a statement about the component materials in the fabric bought, which would have no relation to its quality.

5. There are certain mechanical difficulties connected with marking which require attention. Granting that it may be mechanically possible to put a brand on every yard of fabric containing wool, manifestly it would be undesirable to do this in all cases. Fabrics having a plaid back, for example, would have their value seriously impaired if an indelible mark were placed on every yard, and if the mark were not indelible the way would be open for fraud by erasure which would completely destroy the effectiveness of the law. Again, in the case of delicate fabrics it would be impossible to mark by stamps so that in the finished garment there would not be ugly blotches at intervals. In translucent fabrics the brand might not show through except upon exposure to a high light, when it would be visible. The appearance of a young man clothed in white flannel trousers with the brand showing through at intervals, when he appeared in the sunlight, would be quite seriously impaired. The same difficulty would be found in many types of dress fabric. Again, even though the fabric may not be delicate the brand might be a nuisance. An unlined overcoat, or coat with a brand on every yard showing the raw material content probably would not meet with general public approval. Such branding would also put an end to the thrifty practice of "turning" and remaking dresses and suits. If brands are put only on the selvage, they can be cut off easily, and there will be no way of proving what the mill's brand was unless there is a costly system of inspection in mills, clothing factories, and stores.

6. In addition to the added cost and the hindrance of production, there would be certain confusion brought about in the mills' distributing problems. Incompetent manufacturers who would by the terms of the bill be able to ascertain the percentages in successful blends of wool would be led to imitate them, and many inferior fabrics would follow the

development of any successful combination. This form of imitative competition with the sanction of a misleading branding of content (the use of which is enforced) would result in a confusion of the consumer infinitely worse than even the worst that can follow any failure to distinguish between new and reworked wool.

7. It has been shown that reworked wool blended with new wool in certain wool fabrics makes possible the production of fabrics at a low price which can be made entirely of new wool only at a much higher price. Fabrics of these substitute materials cannot, under normal conditions of competition, be sold in the ordinary course of trade as anything except what they are—good fabrics at a price much below the price of similar fabrics of new wool. To put on these fabrics the stigma of bearing a name which is misleading to the public would compel manufacturers to rearrange many blends of fiber which are the result of years of practice and experiment in cloth construction. Many excellent fabrics now are made by the use of blends of new and reworked wool. Some of these blends are simple, while others are quite complicated, calling for definite and different proportions in warp and filling. If reworked wools regardless of quality, are thus to have their unpopularity in the public mind impede their sale, it would be necessary in many cases to rearrange blends so as to work out a percentage having the least prejudice against it in the public mind.

8. The quality of the fabric, as has been shown, is not determined by the material content alone. Because of the easy acceptance by the public of the implied claim that the quality of fabrics has a definite relation to the percentage of new wool in them, fabrics made of all virgin wool and so branded under this bill must be expected to sell at a premium. The statement that a fabric is made of "100 per cent. virgin wool" will serve as a claim of high quality. Any fabrics bearing it will find more ready sale than others, regardless of merit. The use of substitute material makes it possible to produce fabrics to sell at medium and low prices which have many of the desirable qualities of high-priced fabrics. As will be brought out later, the methods by which modern

business is conducted make it very rare for these mixed fabrics to be sold except for what they are. By this law undue suspicions would be thrown about all fabrics, whether woollens or worsteds, bearing any mark except one claiming 100 per cent. new wool. Many fabrics now sold on their merits as mixed fabrics and without deception of the public, and abundantly worth the price charged for them, would be obliged to overcome a public branding which puts an undeserved stigma on them.

9. Another matter for serious consideration is the difficulty of enforcing the branding regulations in the case of imported goods. The difficulty of establishing a case against a foreign manufacturer, even under the terms of the bill as drawn, and the difficulty of securing prosecution, even after the case had been established, would constitute an advantage to the foreign manufacturer in competition with the American wool fabric maker.

In summary, the second point made is that this proposed bill, if enacted, will increase the cost of producing all fabrics of wool, which eventually must fall on the consumer. He would be obliged to pay a higher price for raw material; he would pay for the cost of marking, and the indirect additions to the cost of manufacture; he would pay higher prices for all virgin wool fabrics, and many good mixed fabrics now sold at a low price would be driven from the market; and in return for all this he would get only a misleading brand.

III. *The proposed bill cannot give to the public any protection against fraud not normally afforded by the operation of competition. A law preventing misbranding is preferable to the law proposed.*

1. Before considering the effectiveness of the proposed bill in the protection of the public as compared with the normal protection granted by competitive conditions, it is necessary to recognize the distinction between fraudulent practices of the small minority of the industry and trade on the one hand and business methods developed by honestly conducted industry and trade on the other hand: First let us consider honest business. Honest business ought to be

encouraged to conduct itself with economy and with ease. Competition as long as it is unrestricted and is conducted on an honest basis forces the cloth manufacturer to put into any fabric to be sold at a given price a maximum of those qualities desired by the public and to be found in competing fabrics at the same or a similar price. It has repeatedly been pointed out that these qualities are not dependent on the amount of virgin wool in the fabric. Any manufacturer who does not put into his fabrics the largest amount of these qualities compatible with the price charged will in the normal course of honestly conducted trade be eliminated or be forced to reduce his price to correspond with the qualities of his goods. Of wool fabrics for clothing, the greater part are now sold to clothing manufacturers, whose expert buyers are not easily deceived with respect to the relation between the quality of the fabrics they buy and the prices they pay for them. The prevailing practice in the clothing trade, as in the fabric business, is the conduct of business on an honest basis, and with from one to three expert buyers standing between him and the cloth mill, there is little chance of the consumer getting a fabric poorer in quality than he pays for. In a measure the same safeguard exists in the case of the business of handling fabrics for sale over the counter. Retail stores operating on any considerable scale cannot afford to have a buying staff unable to judge accurately of qualities, nor can such a store afford to mislead its customers as to the quality of its merchandise at the price paid. So far as the greater part of the trade is concerned either in the case of ready-to-wear or over-the-counter business, it is impossible for any appreciable amount of dishonest competition to be carried on without certain and costly retribution. That portion of the fabric business which is honestly conducted clearly would not be helped nor would it serve its customers better under the proposed law.

2. The percentage of the total volume of the fabric industry and trade which is dishonestly conducted is extremely small, and most of the changes in the organization of trade methods which have taken place during the last generation have been of such a character as to make dishonest

competitive methods unpopular and unprofitable. The really pertinent point, however, in connection with fraudulent practices in the sale of wool textiles, is the fact that the imposition of a requirement that fabrics shall be marked to indicate their composition on a basis which has no relation to their quality would have no appreciable effect in reducing such fraud as may exist. It would merely introduce a new chance for the misleading of the public.

3. Fraudulent competition has been successfully attacked only by direct methods aimed at false representations. By an old and generally accepted principle of law the buyer is supposed to exercise reasonable prudence in his purchases. But the spirit of the law defends him against deliberate misrepresentation. In Great Britain the Merchandise Marks Act, which is designed to meet those evils to which fraud in the sale of cloth belongs, has been in force in its present form since 1887. This law in effect, so far as it bears on false representations, does not require the manufacturer or merchant to make any claim or statement concerning the nature of his merchandise, but if he makes any claim or statement, it must be an honest one, and heavy penalties are imposed in case any misleading statement is made. A bill based on the British Merchandise Marks Act is now before Congress. Apparently the public feels some need for legislation better to protect it against false representations in the sale of merchandise. This feeling applies to wool fabrics as well as to many other lines. If there is to be legislation, it should take the form of a law of this kind, the enforceability of which has been demonstrated and which is based on a sound principle of law, (The Lodge-Rogers Honest Merchandise Bill). This would be more effective as a protection to the public in the case of wool fabrics than would the establishment of a set of standards based on percentages of component materials, when a knowledge of these percentages gives to the consumer no trustworthy idea of the quality of the fabrics.

In summary, the third point made is that the proposed legislation, so far as it is designed for the protection of the public, is aimed at the dishonest few in the wool industries. Normal conditions protect the public against fraud in all

except a small percentage of cases. These dishonest persons should be hunted out and their practices stopped by means which will protect the public against them instead of by a type of legislation whose chief effect will be to handicap honest business while making possible new types of fraud.

GENERAL SUMMARY

It has been shown that the proposed bill (The Capper Bill) would put a premium on fabrics of new wool. That is its avowed purpose. It has been shown also that it would put an unfair stigma on reworked wool and fabrics containing that material. This would be desirable either if reworked wool were a bad fiber or if fabrics made from it were necessarily of poorer quality than fabrics of new wool; but they are not, and this also has been proved. It has been shown that the branding as prescribed by the law would have no relation to the value or desired properties of the fabrics, and that instead of such marking making it possible for the consumer to know what he is buying it would merely add to his confusion. It has been shown that normal competition serves as a better check on fraud than the enactment and enforcement of this measure could be. It has been shown that the law would make wool fabrics cost more and that the consumer would receive no adequate compensation for this increase in price. It has been shown that the proposed measure would not correct the evils it aims at, while another measure (The Honest Merchandise Act) based on the tested principle of law would. This Capper so-called "Truth in Fabric" law would be ineffective, costly, and against the public interest.

CHARLES H. WILSON, *Chairman,*
FREDERIC S. CLARK,
SAMUEL R. HAINES,
CARL VETTER, } *Committee.*

JOHN P. WOOD, *President,*
National Association of Wool Manufacturers.

PAUL T. CHERINGTON, *Secretary,*
National Association of Wool Manufacturers.

APPENDIX I.

The Census for 1914 gives the following figures covering the quantity of virgin wool consumed in the various branches of the wool manufacture. These figures are for wool in the condition in which it was purchased; that is to say, the figures give the amount in pounds whether the wool was in the grease or scoured.

Pounds of Wool in Condition Purchased, Census Year 1914

Total wool manufactures.....	502,857,333
Woolen goods.....	78,873,319
Worsted goods.....	355,854,756
Carpets and rugs.....	52,552,449
Felt goods.....	14,969,852
Wool felt hats.....	606,957

The figures for the principal fibers used in wool manufacture in 1914 (industries as above listed) given in millions of pounds were as follows:

Total.....	458
Scoured wool.....	307.7
Mohair, camel hair, alpaca and vicuna.....	15.9
Other animal hair.....	28.1
*Recovered wool fiber.....	70.9
Cotton.....	38.3

*Note—Recovered wool fiber as here reported by the census includes 30.1 million pounds purchased and 40.8 million pounds "made for consumption" within the establishment where made. This table, it will be observed, is reproduced as given in the census figures and does not include the quantity of rags, clips, etc., purchased, which amounted to 62 million pounds. If this figure were added and the amount of reworked stock made from it were subtracted the total of fibers used as given above would be increased to 479.2 million pounds. For the reasons made clear above there would be duplication if both the figure for rags and for the fiber made from them were included.

APPENDIX II.

New Materials Used in Woolen-Goods and Worsted-Goods Industries

Census of 1914

	Total	Millions of Pounds	
		Woolen Industry	Worsted Industry
*Wool in condition purchased.....	434.7	78.9	355.8
Tops.....	29.1	.6	28.5
Yarns purchased:			
Woolen.....	2.1	.8	1.3
Worsted.....	53.6	2.6	51.0
<i>Total wool, wool tops and wool yarn....</i>	<i>519.5</i>	<i>82.9</i>	<i>436.6</i>
Mohair, camel, alpaca and vicuna....	14.3	2.3	12.0
<i>Total wool, tops, yarn and mohair, etc..</i>	<i>533.8</i>	<i>85.2</i>	<i>448.6</i>
All other animal hair.....	14.7	13.9	.8
<i>Total wool, tops, yarn and all hair....</i>	<i>548.5</i>	<i>99.1</i>	<i>449.4</i>
Waste and noils.....	42.4	37.9	4.5
<i>Total wool, tops, yarn, hair, noils, and waste.....</i>	<i>590.9</i>	<i>137.0</i>	<i>453.9</i>
<i>Total wool, tops, yarn, noils and waste (not including hair).....</i>	<i>561.9</i>	<i>120.8</i>	<i>441.1</i>
*Scoured equivalent of wool purchased..	257.4	58.7	198.7

APPENDIX II—Continued

Reworked Materials Used in Woolen-Goods and Worsted-Goods Industries

Census of 1914

	Total	Millions of Pounds	
		Woolen Industry	Worsted Industry
Rags, clips, etc. (purchased).....	59.4	58.7	.7
*Recovered wool fiber (purchased).....	26.2	25.9	.3
<i>Total reworked stock (purchased).....</i>	<i>85.6</i>	<i>84.6</i>	<i>1.0</i>
Merino yarns purchased.....	.53	.48	.05
<i>Total reworked material not including waste and noils (purchased).....</i>	<i>86.13</i>	<i>85.08</i>	<i>1.05</i>

*Note—There were two sources of recovered wool fiber reported in the census. One was the source here indicated—namely, by purchase—the other was the reworked wool stock made in mills for use in the establishment. This was made chiefly from the rags, clips, and other materials purchased. The amount of such stock made for consumption within the mills was 40.1 million pounds, (39.6 million pounds in the woolen industry and 500,000 pounds in the worsted industry). As the poundage thus represented is smaller than that for the materials from which it was made, we have used here the larger figure (rags, clips, etc., purchased). There would be obvious duplication if both this figure and that for the stock made from this material were used. The combined quantity of purchased and made reworked wool stock used was 66.3 million pounds.

Fiber Materials Other Than Wool Used in the Woolen-Goods and Worsted-Goods Industries

Census of 1914

	Total	Millions of Pounds	
		Woolen Industry	Worsted Industry
Cotton raw.....	28.3	23.9	4.4
Cotton yarn purchased.....	32.1	15.3	16.8
<i>Total cotton and cotton yarn.....</i>	<i>60.4</i>	<i>39.2</i>	<i>21.2</i>
Silk and spun silk.....	.5	.1	.4
All other fibers.....	1.978	1.975	.003

The foregoing figures, as has been specifically stated, cover only the woolen goods and worsted goods branches of the wool manufacture.

APPENDIX III.

Products of the Woollen-Goods and Worsted-Goods Industries

Census of 1914

	Total	Millions of Sq. Yds. Produced by Woollen Goods Industry	Produced by Worsted Goods Industry
All wool woven goods, total.....	323.	85.6	237.4
Wool suitings, overcoatings and dress goods.....	90.9	74.2	16.7
Worsted suitings, overcoatings and dress goods.....	222.4	2.5	219.9
Flannels.....	2.2	2.2	
Blankets.....	6.5	5.8	.7
Other.....	1.0	.9	.1
Cotton warp woven goods, total.....	196.2	102.9	93.3
Wool filling suitings, overcoatings and dress goods.....	53.5	48.3	5.2
Worsted filling suitings, overcoat- ings and dress goods.....	56.8	2.7	54.1
Domest Flannels and shirtings....	16.1	16.1	
Linings, Italian cloth and lastings .	36.2	2.3	33.9
Satinets and linseys.....	8.4	8.4	
Blankets.....	17.9	17.9	
Other.....	7.3	7.2	.1
Unions or cotton mixed woven goods, total.....	46.2	40.0	6.2
Cotton mixed suitings, overcoatings and dress goods.....	31.4	28.5	2.9
Flannels.....	5.0	5.0	
Blankets.....	4.0	4.0	
Other.....	5.8	2.5	3.3

The other chief products of the woollen goods and worsted goods industries were upholstery goods, yarns, tops, noils, and waste.

APPENDIX IV.

Percentage of Reworked Wool to Total Wool Fiber Retained for Consumption in the United Kingdom*

	Total wool fiber Millions of Pounds	Reworked wool fiber	Percentage of reworked wool in total
1905	679.7	180	
1906	734.3	190	
1907	833.4	210	
1908	738.0	180	
1909	775.7	205	
Av. 1905-09	752.6	193	25.6
1910	872.2	226	
1911	876.3	210	
1912	833.3	201	
1913	872.2	205	
1914	759.0	190	
Av. 1910-14	842.6	206.4	24.5
1915	1159.6	200	17
1916	950.7	210	22
1917	879.0	130	14.5
1918	636.7	100	15.7

*Figures prepared by Bradford Chamber of Commerce.

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COMPULSORY BRANDING OF WOOL FABRICS.

TO CORRECT SUCH MISREPRESENTATION AS MAY EXIST, A
COSTLY AND INEFFECTIVE REMEDY SHOULD NOT
BE ADVOCATED WHEN AN EFFECTIVE AND
ECONOMICAL REMEDY IS AVAILABLE.

(Excerpts from testimony concerning the French-Capper compulsory branding bill before a committee of the United States Senate, June 1-8, 1921, and July 7 and 8.)

THE bill introduced into the Senate by Senator Capper of Kansas to compel the branding of wool fabrics and clothing containing wool with their fiber content was referred to the Senate Committee on Interstate Commerce. It in turn referred the bill to a sub-committee composed of Senators Watson, Indiana; Fernald, Maine; and Smith, South Carolina, for hearings. These hearings began June 1, and were continued through June 1, 2, 3, 7, and July 7 and 8.

Much new testimony was produced to show the way in which the bill, if enacted, would injuriously affect both the wool manufacturer and the maker of ready-made clothing, without in the least aiding the purchaser to buy either fabrics or clothing intelligently. The same unenlightened arguments advanced before the House Committee in 1920 were met and refuted, and many explanations of technical matters, clear to all acquainted with wool manufacture, had to be made to the members of the committee. Many of these have been eliminated from the testimony herewith reproduced, but the essential statements necessary for an understanding of the points made have been retained. The clear testimony of the witnesses opposing the bill shows how utterly futile the proposed law would be to aid uninformed purchasers, the class ostensibly in whose interests the bill is proposed for enactment, and what opportunities would be given by the law to foreign manufacturers to invade this market, and to dishonest manufacturers by evading its provisions to impose upon unsuspecting buyers, misled by the labels required by the law.

Box

The sub-committee plans to have certain samples of cloth tested by chemists and microscopists in the Bureau of Standards and the Department of Agriculture to determine, if they can, which ones contain reworked wool and which contain wool never before used and the percentages of each. Upon this test, the chairman of the sub-committee has announced, according to a newspaper statement, will depend the recommendation to be made by the smaller body to the full committee.

The testimony of Mr. John P. Wood, president of the National Association of Wool Manufacturers, one of those convincing statements, reduced somewhat in size to meet the requirements of our space, was as follows:

Mr. Wood. The mills with which I am personally associated make pure worsted goods in which there is no shoddy, reworked wool, or other substitutes for wool.

SENATOR WATSON. Do they make anything else?

Mr. Wood. No, sir; their raw material is not mere virgin wool, but is virgin wool of fine quality from which the shorter fibers of virgin wool which would not give strength to the fabric have been combed out.

This statement is not intended to imply any special or exclusive merit for these mills, for there are a great many American mills that use only the same character of raw material. I mention the fact only by way of refuting the implication so often made by the advocates of the bill under consideration that it is opposed only by shoddy manufacturers and rag pickers.

Of the large number of manufacturers using pure new virgin wool only, I know of but one company that approves the French-Capper bill, and its approval is inseparably associated with an advertising campaign erected upon its advocacy of the measure.

The others are opposed to the measure because they know that it will give to inferior virgin wool fabrics a legislative sanction that will cause the unskilled consumer to appraise their intrinsic material worth as equal to that of the better goods which bear the same required label. . . .

It will be helpful to an understanding of this subject and will save time in the end if I explain, or define these raw materials to which reference must be made. With the aid of a few samples this can be quickly done. The information may incidentally prove of interest in the consideration of other legislation concerning wool which is soon to come before you.

VIRGIN WOOL IS A NEW TERM ADOPTED BY THE PROPONENTS OF THIS MEASURE.

Virgin wool is a new term adopted by the proponents of this legislation to signify pure new wool unmixed with any wool fiber that has been previously manufactured, or with any other fiber or material, new or old.

Reworked wool and shoddy are, so far as concerns this subject, synonymous and interchangeable terms, applied to wool which has

previously been manufactured, but which has again had its fibers disintegrated.

There are many stages in the conversion of raw wool into manufactured articles, and for the purposes of this bill it is necessary to arbitrarily determine at what stage in the course of its progress from the sheep's back to the finished article, new wool must cease to be known as new and thereafter be classified as old. The authors of this bill fixed this point as just prior to the spinning of the yarn. . . .

Up to this stage of single spun yarn, the French-Capper bill classifies all of the fiber, including the by-products and waste, as virgin wool.

Once the fiber has been spun into this form it cannot, if thereafter separated into the integral fibers, be classed as virgin wool. It matters not whether the thread has ever been carried to completed manufacture or not, nor how new, pure, and unused the fiber itself may be. Just as your automobile becomes a second-hand one the moment you have taken it from the dealer, so do these fibers become second-hand the instant they pass from roving to yarn. And by itself there would be nothing to criticize in that distinction. The dividing line is probably as good as any that could be selected; and there would be no ground for complaint upon that score if the matter was not infinitely complicated, because on one side of the line there are so many worthless or exceedingly poor things entitled to the term "virgin wool," while on the other side there are as many of superior quality and value that must unjustly carry a name popularly associated with inferiority and worthlessness. . . .

The purport of the bill is to enable the purchaser of woolen goods and woolen garments to distinguish between superior and inferior qualities of such merchandise.

If such a law could accomplish that purpose, it would only be necessary to consider whether it would be worth the cost to the consumer. If the cost would not be excessive the enactment would be advisable without regard to the inconvenience or trouble that it might cause for manufacturers and merchants.

If, however, the consumer-purchaser would not be aided in distinguishing between better and poorer qualities, the statute books ought not to be encumbered with a useless law, even though it would be entirely harmless and would neither increase the cost of clothing nor complicate the processes of manufacture and distribution.

But if the enactment of a bill like this would actually facilitate deception as to quality, increase the price on woolen goods and garments, and add to the expenses of governmental administration; such enactment would be worse than negatively unwise, it would be unqualifiedly bad legislation.

THE QUALITY OF THE FABRIC IS A MATTER OF CONSTRUCTION.

If the quality of woolen products was determined by the raw material of which they are made, and if there was a well-defined line of demarcation between superior and inferior raw material, all virgin wool being upon the one side and all other materials on the other, there might be some utility in branding the products with a description of the raw material components. But neither of the premises is true, the quality of the finished product is a matter of

construction. Good materials will not insure a strong and enduring building or bridge unless the design and the workmanship are right. Some costly structures of reinforced concrete, and others of steel, have collapsed even before they were completed, while some of the most ancient structures in existence were built of adobe or other sun-baked clays.

The raw materials employed in the making of woolen goods do not differ in quality according as they are of new or reworked wool. Both classes vary by infinite gradations from very good to very poor, and of the innumerable qualities of new wool there are many sorts that are greatly inferior to many kinds of reworked wool.

So it is impossible by any mere enumeration of the components of a fabric to indicate its worthiness. The intrinsic worth of the components cannot in the slightest degree be expressed by the names of the components. A fabric of 100 per cent reworked wool may be infinitely superior in every desirable attribute and quality to another made of 100 per cent of new wool, because the reworked raw material of the one may be superior to the new wool of the other, or because the structural design or the workmanship of the one may be better than of the other. . . .

The bill would put in one group all new wool, the excellent, good, fair, poor, and worthless, and with these would be included all noils and card waste. Articles manufactured from any of these would be branded 100 per cent virgin wool, no matter how poor the raw material or how worthless the construction and workmanship.

Into the other group would be placed all garnetted new yarn, tailors' clips, broken knitted work, together with all the reworked wool. And all articles containing any part of these materials, however excellent the raw material or however good the method of construction and skill of workmanship, must be so designated as to promote doubt and suspicion, because the public doesn't have the technical knowledge to appraise the terms at their intrinsic value. . . .

WEARING QUALITY OF ARMY OVERCOATS CONTAINING SHODDY.

SENATOR WATSON. After we adjourned on Saturday I went to lunch where I met a number of Senators and I fell to discussing this measure. Among other Senators present was Senator Wadsworth, Chairman of the Committee on Military Affairs and a very able man. In discussing the matter he said that it was ascertained by actual experience and experimentation that the German overcoat, that is, the overcoat made by Germans for their soldiers, was the warmest of any of the overcoats furnished by the countries at war to their soldiers. And he said that out of their experience the conclusion was reached that the warmest overcoat made for their soldiers was made from goods consisting of 70 per cent virgin wool and 30 per cent shoddy, and that in the manufacture of the goods they had found they could not get the same degree of warmth from pure wool, that the shoddy gave additional warmth. Is that so or not so, according to your view?

MR. WOOD. Senator, I will help the opponents to an avoidance of an answer to that question by saying that he went a step too far by saying that it would be warmer.

SENATOR WATSON. I am just saying what was said, though.

MR. WOOD. But it is just as warm, and so durable that with the hardest kind of wear in ordinary service our soldiers would not wear out an overcoat, not made of 70-30, but of 65-35, that is, 65 per cent of virgin wool and 35 per cent of reworked wool. The soldier would not wear one out in a three-year enlistment.

It fell to my lot to investigate that during the war for the Quartermaster General, and I visited nearly all the permanent camps and cantonments, and talked with the supply officers, with the officers in command of troops, and with the soldiers themselves, as to the length of time that various garments would last under conditions to determine what the rate of renewal should be. And for service prior to the war on the border, in actual field service, the estimate was that an overcoat should last for from 6 to 7 years. I have myself worn in military service an overcoat made with a large quantity of reworked wool.

SENATOR WATSON. Of what per cent?

MR. WOOD. I cannot tell you. I think it was 50 per cent. They changed it afterwards. They had it 35 per cent for a while, and afterwards, on account of the shortage of wool, the Government ordered that they should be made with 50 per cent of each. This was a later overcoat that I got, and I cannot tell you just what the proportions were. But I can say from my observations that it wore very much better than an officer's overcoat that I had previously had, made presumably of 100 per cent virgin wool, but which had a much more napped surface. I will refer to that later on as one of the evidences of trouble in textile fabrics, that the troubles of the public are very little with the raw materials, but are chiefly with other difficulties and faults than that of the component materials.

SENATOR WATSON. Well, I suppose that there would enter into that equation also the character of the shoddy that was used.

MR. WOOD. Oh, certainly, just the same as the character of the wool.

SENATOR WATSON. Yes; certainly.

MR. WOOD. Nobody would for a moment contend that the best shoddy was equal to the best wool. No question about that.

SENATOR FERNALD. I was just about to ask that question. No one would contend that the best shoddy was equal to the best wool?

MR. WOOD. Oh, no, no.

SENATOR WATSON. Now let me ask you this. In making it up, in manufacturing it, if you take pure wool, or what you call virgin wool, can you make a firmer garment or more durable garment by admixing with it shoddy of a certain per cent?

MR. WOOD. That question could not be answered in a general way. The fabrics are of such infinite variety in construction and design that the only answer I could give would be concerning a specific type of fabric. Now if the cloth was one that was not milled—one for instance, that you could hold up to the light and see the light through the interstices—then generally speaking, weight for weight the same number of threads per square inch both in the warp and in the weft, the fabric that was composed of the best virgin wool would be stronger than the fabric that had an admixture of the best virgin wool and the best reworked wool. Now that is the nearest comprehensive answer I can make.

But the moment you depart from the best in the one case and retain the best in the other, or the moment you change the character of the construction so that you are dependent not merely upon the interlacing of the yarns, but upon the interlacing of the fibers themselves, then it might easily be that you could get a fabric composed of part best virgin wool, part best shoddy, that would be stronger than another similar fabric not so milled and fulled, composed exclusively of virgin wool. The question is much too broad to give any single answer to.

THE WORTHINESS OF ANY OTHER FIBER IS NOT CONSIDERED.

There is no provision in this bill for taking into account the worthiness of any other fiber than wool. This is a cloth which is made containing nothing but virgin wool (exhibiting sample of cloth to the committee) except a very small quantity of very fine silk. These are samples that were made for use entirely in another connection, some years ago, and consequently the prices which I have are not relative to-day at all. The purpose of cloth of this kind is to give a certain style effect. The yarn is woven in its uncolored state like this (exhibiting sample of yarn) so that when the cloth is finished it is all white. Around some of the threads there is twisted a fine silk thread. Then the entire finished cloth or woven cloth is dyed with a dye that will color the wool, but will not color the silk. That gives the background of black with the little fine particles of undyed white silk standing out, which gives it this little mixture effect.

I will show you another sample (exhibiting sample to the committee). The sample I have given you is one in which you find cotton thread is used instead of silk. In the other silk thread is used.

Now, with regard to the one containing the silk thread. What I want to bring out is that we make a cloth of this kind, with the silk in it, the silk costing us \$10 a pound. Now, that is all virgin wool except the very fine specks which you see through there, which are little specks of silk, and that silk costs upward of \$10 a pound. . . .

Now, this is a sample of silk noils, worth 25 cents a pound, (exhibiting sample to the committee). That is also pure silk. Silk noils are a substitute for wool; sometimes cheaper than good grades of shoddy, the pure silk. That can be used in the same way that shoddy is, as a cheapener for woolen fabric. Thirty per cent of that could be put into a cloth with 70 per cent of virgin wool. Now, that cloth would be labeled 70 per cent virgin wool and 30 per cent silk, and sold at a price the third part of the one which I just showed you containing the fine silk threads, which cloth would be, say, 99 per cent virgin wool and slightly less than 1 per cent of silk.

Now, gentlemen, that is one of the many reasons why I, as a manufacturer of virgin wool fabrics, object to this bill. The public has certain prejudices favorable to some articles and prejudices unfavorable to others. There is a prejudice in favor of silk. The implication carried by a label saying 30 per cent silk as against another saying 1 per cent silk would be that this is a very good fabric, the one containing the 30 per cent of silk. And yet that is

only used to reduce the cost of the material, mixed in with the wool. . . .

DIFFICULT FOR LAY MIND TO GRASP INTRICACIES OF MANUFACTURE.

SENATOR WATSON. Of course it is a little difficult for the lay mind to grasp at once all the intricacies of manufacture.

MR. WOOD. Yes; but just think how difficult it is for the consumer to form any conclusion from a mere label of 70 per cent virgin wool and 30 per cent silk, or 70 per cent virgin wool and 30 per cent reworked wool. That is our whole contention, that that information conveys absolutely nothing of any value to the consumer.

SENATOR WATSON. Well, it would be difficult for him to grasp the idea of a tag which said 100 per cent virgin wool.

MR. WOOD. Yes, certainly, because 100 per cent virgin wool would mean to him, by the very fact that Congress enacts this law, that that constitutes something more worthy than anything which does not have 100 per cent virgin wool, and yet it may be wool of a very inferior quality, or a considerable part of it may be wool of a very inferior quality. There might be of the total weight of the fabric easily 30 per cent of noils. There might be possibly 40 per cent of noils and some of these other things which I have shown you. The fabric might be inherently weak. It would be just as attractive as a fabric made of virgin wool. From the fact that it is labeled virgin wool, the customer has a right to expect that it has some superior quality, or Congress would not have made this law, and he buys it on the face of that, and yet that fabric, with 30 per cent or 35 per cent of noils, may be very much less durable and less strong than another fabric composed of 70 per cent or 65 per cent of virgin wool and 30 per cent or 35 per cent of the best shoddy. Of that there is no question.

The manufacturers of goods for which reworked wool is required as a component, cannot withhold the fact from their customers, for these buyers are necessarily skilled experts entirely competent to determine the intrinsic worth of the fabrics they purchase. And in the long interval between the purchase and delivery they have and exercise ample opportunity to subject the samples to such test as they may care to apply.

The bearing of that is this, that it has been asserted over and over again by witnesses for this bill, that manufacturers sell their goods composed of shoddy at the same price that they sell similar fabrics made of virgin wool. The manufacturers sell their goods at wholesale. Their customers are experts. It is perfectly absurd to suppose that any expert buyer in a wholesale way, whose business depends on his skill in judging and selecting his fabrics, would pay as much for unworthy fabrics as he would for worthy ones. . . .

IMPOSSIBLE TO TELL ACCURATELY BY TESTS PROPORTION OF COMPONENT MATERIALS.

SENATOR WATSON. Can they determine from that whether it is virgin wool or shoddy?

MR. WOOD. No; No.

SENATOR WATSON. Can they determine by this stretching process whether it is virgin wool or shoddy?

MR. WOOD. No.

SENATOR WATSON. How do you determine whether it is virgin wool or shoddy?

MR. WOOD. The only possible way is to subject the fabric to microscopic examination by disintegrating the cloth first, and then taking each thread, or enough threads for the purpose, and making the microscopic examination. They could do it with probably three or four square inches of fabric. They would unravel those threads carefully and separate all those fibers out.

SENATOR WATSON. They cannot determine it by a chemical test, can they?

MR. WOOD. No.

SENATOR WATSON. Because wool is wool?

MR. WOOD. Because wool is wool, and subject to the same reaction and the same solvents, whether it is new or old. They can distinguish between any vegetable or animal fiber by a chemical test.

SENATOR WATSON. Well, when they come to tearing it to pieces then can they tell relatively whether it has been a high-grade quality of shoddy or a low-grade?

MR. WOOD. They can tell only as to its fineness. When they have separated all these fibers and examined them under the magnifying glass or microscope they can see whether the fiber was fine, whether it came originally from fine wool sheep, or whether it came originally from coarse wool sheep, but they cannot say any more than that. They cannot determine its other valuable or less valuable qualities as a fiber for manufacturing.

SENATOR WATSON. Then that is just as far as they can go with the test?

MR. WOOD. Absolutely. I might say in connection with that, that a year ago when this subject was under consideration samples were exhibited to an expert microscopic analyst to make a determination. I don't know whether this is proper to put in, because I cannot give you the original evidence, but this microscopical expert asked to know what the components were, for his guidance, and was told that that would not be quite fair; that it would not enable a determination of his skill. So he proceeded and made the analysis and made the report. A comparison of his expert microscopic examination with the actual blending formula was made, and his report was in most cases simply absurd. It bore no relation to facts. The proportion of virgin wool in some cases was stated as reworked wool, and in some cases reworked wool was stated as virgin wool.

OFFER TO HAVE CHEMISTS AND MICROSCOPISTS TEST FABRICS.

And we shall be very glad to give a collection of samples to your committee, without any information attached thereto as to the components, or with a specification under seal and placed in your charge, you to send them to the Bureau of Standards or the Bureau of Chemistry, Department of Agriculture, and have their experts make a careful microscopic and chemical analysis and report back

to you the components, and when you receive that you will still have in your possession the actual information as to the original blends, and you will see how they come out in their examination. We shall be glad to furnish a range of samples containing different proportions of new and reworked wool and of cotton and of silk and of silk noils, such as I have shown you here.

SENATOR WATSON. That is very interesting.

MR. WOOD. Now, if either of those bureaus can come within even approximate accuracy in their estimate of the compositions, the cause for the proponents will have been very greatly helped, and our cause will be very greatly weakened, and we offer that test. . . .

SENATOR FERNALD. Mr. Wood, could the man who makes the blend in your factory, if the goods were taken from him for a year and then given to him again, retest those goods and determine himself again the percentage?

MR. WOOD. No, sir; over and over again mills making this kind of goods have made tests of this kind, and they have failed. The mills are in very keen and active competition with each other, and it is no uncommon thing in the trade for the selling department of one mill to find that some other mill has a cloth that is selling very successfully. They want to know what it is composed of, so they get a sample of it in the open market, and take it back to the mill and have it carefully analyzed to determine what it is; and in the case of these goods, which are composed of partly new and partly of old wool, the guesses which the most expert men whom the mills have make are usually wide of the mark, and sometimes ludicrously wide.

It does not make any difference how skillful we are, all we can do is to separate those yarns into their component fibers, look at them under the microscope, and make our best guess as to what those fibers are.

Now, you have got a great many fibers there. You are only examining the billionth part of the larger piece of cloth which would be offered in commerce. It is an absurdly small quantity. And we pick those out and separate the fibers, and we think maybe this one is wool and maybe this one is reworked wool, and so on, and then we count up the number of fibers of each, and then we say there is so much of each out of 100 per cent, and that is our guess.

There are experts who have been doing that all of their lives, and we can bring them here and they will tell you that the best they can do is to make a crude guess. And they are men who are doing this thing and doing it as a business. A man who undertakes to do that thing in a laboratory, with nothing but a laboratory experience, could not begin to come as close to it as a practical man, who is trying to do well on the selling market and prepare something that he will share in the success of.

THE FOREIGN MANUFACTURER WOULD BE GREATLY HELPED BY THE PROPOSED LAW.

SENATOR WATSON. Now, talking about the practical side of the matter. This bill provides that any foreign manufacturer who de-

sires to sell in America shall obtain a permit from the Secretary of Commerce before his goods shall be permitted to come into the United States. You understand that?

MR. WOOD. That is foreign goods?

SENATOR WATSON. Yes; foreign goods. Now the foreigner might put into a piece of cloth, which might be made into a suit of clothes according to your testimony, 70 per cent of virgin wool and 30 per cent of shoddy, and when that came over into this country there would be practically no way of telling that, would there?

MR. WOOD. No, sir; there would not be any way of telling that with any degree of accuracy.

SENATOR WATSON. Yes. Now, you manufacture in Philadelphia. There would be an expert going through your mill from the United States Government. We would have no authority, of course, to send experts through any foreign mill.

MR. WOOD. Yes; that is true. We would have no authority to send experts through foreign mills.

SENATOR WATSON. And you right there in your factory, if you are making a piece of cloth in your factory, know what is going into it, do you not, whether it is virgin wool or shoddy?

MR. WOOD. Yes; surely.

SENATOR WATSON. Or what per cent of virgin wool there is in the cloth, and what per cent of shoddy there is in that cloth?

MR. WOOD. Yes.

SENATOR WATSON. Therefore you would be compelled under oath to make a statement as to the component parts of that piece of cloth. Might you then come into competition in the open market with goods of the same character from abroad with a tag attached to the piece of goods that did not correctly represent the character of the goods?

MR. WOOD. That is so true, Senator Watson, that I have already asked Mr. Gifford, who makes some of the finest goods made in the world, and who comes directly in competition with foreign fabric, to explain to you that very fact.

SENATOR WATSON. In other words, what I am trying to get at is this: If there be no tag—and that is one of the things we are inquiring about—if there be no tag by which the quality or the quantity of the component parts of the goods can be determined, how is this law to be administered?

MR. WOOD. There is no way that I can see, so far as the foreigner is concerned. So far as the American manufacturer is concerned the Government can put inspectors in the mill, as it did during the war, and the inspectors can actually see the blends made. And the inspectors can see that the labels correspond with their own observation of manufacture, there is no doubt about that. It will cost a very vast sum. And that will be the eventual result. That is, briefly, what some of the members of the House committee developed in the testimony last year, that whenever you impose upon a Government bureau a duty to make certain kinds of inspections, that it becomes an inevitable obligation upon the part of that bureau, there is only one way to proceed, and that is to discharge their duty.

Now, in order to make sure that the manufacturers will put

the labels upon those goods, without chance of error, the only way is to examine the goods in the process of manufacture, as the War Department did during the war, and ascertain what the blends are.

FOREIGN MANUFACTURER WOULD ESCAPE PUNISHMENT FOR MISBRANDING.

Now, with the foreign manufacturer you can reach the American agent through whom he sells, but the American agent protects himself under the provision of the law, by getting a written statement from the manufacturer as to what the components are. And he is released right away. He says, "I am selling these goods in good faith. I have procured a written statement from the manufacturer which says that these are the components of these goods."

SENATOR WATSON. Well, would there be anything about a piece of cloth or a suit of clothes that the importer of a foreign product would receive that would lead you, as we say in law, conclusively to presume that he did know what was in it?

MR. WOOD. No, sir; absolutely not. He only knows the merit of the cloth as a piece of merchandise to sell, without any knowledge of its component or constituent parts, and gentlemen there who are engaged in the selling of such merchandise in the United States will tell you that in general the man who sells the merchandise does not concern himself with the component parts. The material is not the important thing. The style and feel and the handle and the strength and the durability of the fabric are the important things, and if you get strength, durability, style, finish, general handle of the cloth that is satisfactory to the buyer, the buyer does not care what it is made of. He is after the results, not after a theory as to what will constitute the right things. . . .

But on the point that you make, the American handler of the goods could have no knowledge of his own. He would naturally disclaim knowledge. He protects himself by the written statement of the foreign manufacturer. If that written statement is at variance with the facts there is no way in which the United States can enforce by a penalty the provisions of the act against a foreigner over whom they have no jurisdiction. There is no way by which that can be accomplished that I know of.

SENATOR WATSON. There is no way, of course, if there be no test by which you can tell whether it is a virgin wool or shoddy.

MR. WOOD. There is no such test. But even apart from that, suppose the Bureau of Standards makes an examination and says, "This cloth, which is branded 70 per cent virgin wool and 30 per cent shoddy, contains only 60 per cent virgin wool and 40 per cent shoddy"; suppose they are willing to certify to that. Now, where are you going to get the maker? You go first of all to the man who sold the goods in this country, the American house, and he says, "Here is my written statement from the manufacturer in Bradford, England, that it was 70 per cent of virgin wool and 30 per cent of shoddy." "Well," the Government says, "here is the statement of the Bureau of Standards that it is 60 per cent virgin wool and 40 per cent shoddy." "Well," he says, "the law exonerates me en-

tirely if I get a statement from the manufacturer as to its component parts."

What are you going to do about it? You cannot go over to Bradford and get the manufacturer.

SENATOR WATSON. No, the only thing they could possibly do, if they accept the analysis of the Bureau of Standards, would be to exclude it from this country.

MR. WOOD. Well, how are you going to exclude it? It might come through any number of intermediate hands. You can exclude that product so far as it may be sold by one particular man, but you cannot identify that product that is sold by any one of scores of other dealers.

ASSERTIONS ABOUT INCREASED USE OF SHODDY WITHOUT SIGNIFICANCE.

Statistics have been presented here to fortify the assertion that there is a tendency toward a greatly increased use of shoddy in woolen clothing sold in the United States. These figures are entirely without significance because of the changing conditions under which the business is done and the absence of information regarding the components of the quantities reported in various years. Formerly, the preparation of reworked wool in the mills in which the stock was employed, was for manufacture into yarns or goods, and a relatively small quantity was sold and bought as an article of commerce.

Gradually the work of preparing the stock for the mills developed into a separate business, those specializing in it being able to do the work for many mills more economically and more uniformly than each could for itself the quantities it alone needed. With the segregation of the business the statistics relating to it have become more complete. The shoddy of commerce as blended ready for the use of the mills may often contain ingredients that under the pending bill would be classed as virgin wool. For these reasons, as also because of the necessities of the war, which are fully explained in the report quoted—that is the report of the Federal Trade Commission—the statistics of total sales of shoddy warrant no inferences of an increasing use of reworked wool in civilian clothing.

There are, however, quite conclusive indications of a relative decrease in the use of reworked wool in the United States.

SENATOR WATSON. Now why do you say that, Mr. Wood?

MR. WOOD. I am going to try to show it to you.

Since the source is rags and clips, the domestic proportion of clips and rags being necessarily proportionate to the consumption of clothing, it follows that any material increase in consumption would mean an increase in imports of rags and clips, and that any decrease in importation or increase in exportation of rags and clips would mean a decrease in their domestic use. Unlike agricultural crops, there is no other way in which increased domestic use can be provided for except by either increasing imports or decreasing exports. Now the facts are that at one time we exported no woolen rags and imported very large quantities, whereas in

recent years very great quantities have been exported and little or none suitable for fabric manufacture have been imported.

Some rags have been imported for paper and felt manufacture, but not for fabric manufacture. I do not think this aspect of the matter is of particular importance, however, for whether much or little is used it is the economic advantage of the country that they be used.

I want to call the attention of the committee to the fact that the statistics as to the production of shoddy in separate shoddy mills cannot justify any inference as to an increased use of shoddy in the clothing of the people. . . .

MR. WOOD. Woolen underwear is almost exclusively made of mixtures of wool and cotton.

NO ANALOGY BETWEEN BILL AND PURE-FOOD LAWS.

Reference has frequently been made to the analogy between the pending measure and the pure-food laws. But there are very important differences. The pure-food laws are chiefly concerned with the prevention of mixing with or substituting for food products substances which are either harmful or, if not actually deleterious, are without food value. This bill is aimed at materials which have useful clothing value and which are not deleterious to health.

In the pure-food law there is not imposed the necessity for applying to good and useful materials a name which, by reason of long use as a term of contempt applied to many things other than textiles, has become a synonym for unworthiness.

SENATOR WATSON. Now, before you go into the next point, Mr. Wood, let me ask you this general question that is on my mind. You say you manufacture worsteds altogether?

MR. WOOD. Yes.

SENATOR WATSON. And they are made of virgin wool altogether?

MR. WOOD. Yes.

SENATOR WATSON. And no shoddy?

MR. WOOD. Yes; that is right.

SENATOR WATSON. What objections have you to putting a tag on that to that effect?

MR. WOOD. I am coming to that. I will show you one objection. I showed you one in connection with these silk noils—that a man can sell you a very cheap fabric and say that he is giving you 30 per cent silk and 70 per cent wool, and that fabric is cheaper than mine which has only 1 per cent of silk in it. He is selling that fabric, which is cheap as against a very superior fabric of mine which has only 1 per cent of silk in it, and by reason of that labeling required by law, the buyer thinks he is getting greater value in those cheaper goods.

SENATOR WATSON. In the 30 per cent silk?

MR. WOOD. Yes.

The cost of legislation of this kind will of course be an expense to the public. There will be the actual expense of applying the branding, and an increase in the unit allocation of overhead, due to the slowing up of outturn; and increase in the price of wool,

if the measure accomplishes the hope and expectation of its sponsors; all of which will necessarily enhance the price of the products.

In addition to these direct costs to the consumer, the public who are the consumers, must pay in taxes the Government's expense for administration and inspection, which members of the House committee at the hearing last year, estimated would reach a great sum.

This large aggregate cost, serious and objectionable as it would be, might be justified if the public received any tangible benefit. But would be wholly unwarranted if, as we know, the actual result would be to mislead the public by placing a false emphasis upon the significance of the term "virgin wool."

THE "RIGHT TO KNOW" INCLUDES MANY THINGS.

An analysis of all the statements that have been made by witnesses in support of the bill shows that they comprise four basic contentions:

First, that the purchaser has the right to know of what materials the article offered for sale is composed.

Second, that goods containing reworked wool are sold for the same price as goods otherwise of like kind and quality composed entirely of virgin wool, the manufacturer profiting by the difference in cost of the cheaper raw material.

Third, that the fault of goods and garments which give unsatisfactory wear is in the presence of shoddy.

Fourth, that the branding will, because of a belief in the superior merit of virgin wool, create a larger demand for virgin wool to the advantage of the growers of wool.

Let us briefly examine these basic assertions which, in varying form of statement, constitute the entire argument for compulsory branding.

No one will question the right of a buyer to know of what the article is made that is submitted for his purchase. He has also the right to know many other facts of even greater importance in the determination of its worth and durability. In the case of a woollen garment he has the right to know whether the goods contain noils; also the quality of the fiber of the wool, upon the length and strength of which depends the durability of the cloth much more than upon whether it is or is not wholly of virgin wool; that is, he has the right to know in a virgin-wool fabric what proportion is of these short noils; he has the right to know whether the threads are single or two-ply, a very important factor in durability.

There is a pure worsted fabric known as a shepherd check (exhibiting sample to the committee). That means the style of design. That is made of nothing but virgin wool from which these noils have been taken out.

This is a sample of an identical weight (exhibiting sample to the committee) made by a distinguished competitor of mine, who is in the room here, and for whom I have very great respect, which he can sell for probably 25 cents a yard less than I can sell mine for. I will venture to say that none of you will be able to dis-

cover the difference between those two samples. They are both of virgin wool, 100 per cent virgin wool.

SENATOR WATSON. I would not know the difference. Tell us what the difference is.

MR. WOOD. The difference is that in mine the warp is two-ply and the weft is two-ply, and in his the warp is two-ply and the weft is single yarn. The weft way of my cloth is very much stronger. His is a perfectly good and useful cloth, at the price, but it is worth just as much less as the difference in strength transversely.

Now, I ought to come down here and weep a little bit on the shoulder of Congress and ask that they provide in the labeling bill that every manufacturer must state whether his fabric is made of two-ply yarn or of one-ply yarn. I have just as great a grievance against the manufacturer who makes a one-ply yarn against my two-ply yarn as the wool grower has against the man who uses shoddy.

SENATOR WATSON. How much does he sell his for? For the same price that you sell yours?

MR. WOOD. No; he sells his for 25 cents less. Of course no manufacturer can sell a fabric which it takes appreciably less to make for the same price that a manufacturer can sell a fabric of higher quality for, in spite of everything to the contrary that has been said on the subject.

SENATOR FERNALD. The buyer who buys those different cloths can tell the difference?

MR. WOOD. The expert buyer must know the difference. For one thing, he would test it in his testing machine for strength. Another thing, he would unravel them and see whether they are single or double.

SENATOR FERNALD. So there is no imposition on him?

MR. WOOD. No; there is no imposition on him. But when that is made up into a suit of clothing and it is offered to you, you can not tell.

SENATOR WATSON. But yet they are both made of 100 per cent of wool.

MR. WOOD. Yes, sir; both of those samples are made of fine wool, 100 per cent wool, better than the mere virgin wool, because all the noils are taken out. Some of those people who advocate the bill keep all their noils in the wool.

SENATOR WATSON. Now, do they mean by virgin wool, that the noils are not taken out?

MR. WOOD. Yes; they mean by virgin wool the wool just as it is scoured of the dirt, with both the long fibers and the noils.

SENATOR WATSON. Yes.

MR. WOOD. Their stuff has got the short stock in it. The worsted manufacturer has the short stock taken out.

AN ILLIMITABLE FIELD OF LEGISLATION WOULD BE OPENED.

It is also the right of the buyer to know whether there are the proper number of threads to the square inch; if not, the cloth will give way at the seams. A very important fault, because the

cloth is not closely woven enough for that particular type of fabric. He also has the right to know whether the cloth has been properly milled and shrunk and has not been so stretched in tentering that when exposed to dampness it will shrink in size and go out of shape.

He also has the right to know whether the dyes are fast to sunlight, to rain, and perspiration. He has the right to know whether the interlining is of genuine or of imitation haircloth. He has the right to know whether the canvas—so-called canvas—is made of linen or jute or cotton. Whether the linings are of cotton, mohair, silk, or imitation silk. These, and many other factors, are more important in the determination of value and durability than a specification of virgin wool without explanation of the kind of virgin wool.

Equally, too, the buyer has the right to know the particulars about all other things he buys; the components of his tools, whether or not there is scrap iron in the hardware, whether his mahogany desk is made of real mahogany or what is commonly called mahogany; what his shoes are composed of besides leather; how much rubber is in his overshoes; whether the spokes of his automobile are hickory, oak, or pine; what is in linen paper, besides linen.

Why, the field is illimitable, and if it is the duty of Congress to enact laws that will automatically inform him of everything he has the right to know, Congress can never discharge that duty.

The right to knowledge is one thing. The manner of its acquisition is another. The latter must chiefly depend upon the efforts of the individual seeker of knowledge.

The claim that manufacturers sell goods made wholly or in part of reworked wool for the same price as goods of the identical kind, construction, and finish made wholly of new wool hardly needs serious consideration. It refutes itself by its impossibility. If it were true the profit in the manufacture of such goods would be so great that there would be no pecuniary inducement to make any goods of virgin wool.

You will realize that if goods made of shoddy, cheap, worthless things, could be sold for the same price as goods 100 per cent virgin wool, goods such as I make, it would be folly for me to go on making them of the kind that I do make. The pure worsted industry would go out of existence instead of having in the last fifty years grown from nothing to its present vast proportions, producing the larger part of the suiting materials now in use, and exceeding in value of its output the carded wool business, the older branch.

DISTINCTION BETWEEN WOOLEN AND WORSTED INDUSTRIES.

The wool manufacturing industry is broadly divided into two great branches, according to the system or method of manufacture. The older form is known as the carding and the other as the worsted branch. Time will not permit me to describe in detail the differences between them. The primary distinction is in the process of making yarns. There are also fundamental differences in weav-

ing, but in the latter the distinctions are not so complete. It is in the yarns made by the carding process that reworked wools are used. In worsted yarns it can be very positively stated no shoddy is employed.

SENATOR WATSON. Now, let me ask you right there why you cannot employ shoddy? Why?

MR. WOOD. Why we cannot use it in worsted yarn?

SENATOR WATSON. Yes.

MR. WOOD. Because it is too unsuited for the combing machine. There would be too much of it wasted out by the same mechanical methods that take out the noils.

SENATOR WATSON. But that can be used in the carding machine?

MR. WOOD. Yes; the carding machine can use a shorter fiber.

SENATOR WATSON. Yes; I understand.

MR. WOOD. Shoddy cannot be used in the manufacture of worsted yarns for the same reason that the various wool noils cannot be used.

Prior to 1860 we had no worsted industry, the woolen manufacture of the country was exclusively by the carding process, the one that can use shoddy. Since 1860 the entire worsted industry of the country in its present magnitude has been created. Partly as new installation, partly by conversion of old mills into worsted mills, by the substitution of worsted machinery for woolen. This would have been altogether impossible if the manufacturers of shoddy goods could sell their fabrics for the price of those like kinds made of new wool. In the same period there has been a progressive decline in the relative production of many kinds of goods made by the old carded process. The change has been somewhat analogous to the growth of the steel industry at the expense of iron. There are some purposes for which the carded fabrics still have a preference, just as some articles are still made of iron, but a great portion of the carded goods formerly made have been as completely superseded by worsted as most of the things formerly made of iron have been by steel products. . . .

The third allegation is that the fault with poorly wearing goods is the presence of shoddy. Those who say so have produced no evidence whatever; no garments that have worn unsatisfactorily have been shown so that we might ascertain the nature of the defects.

I feel that if this was the common fault of clothing—the presence of unrevealed shoddy—that the proponents of this bill would have been able to bring many garments here to show how badly they had worn, and then we could examine them and tell you about them, either admit that that was because they were made of shoddy, or we could show you what the fault was, if it was not because of the presence of shoddy. No such examples have been adduced at all.

I have from time to time been asked to serve as arbitrator in trade commercial disputes concerning unsatisfactory goods, and in the course of many years have had to review a large number of such cases of controversy over defective goods. In none of these cases has the fault been due to the use of reworked wool. They have all been faults of structure, or arising from chemical action on sound new fibers, or due to bad dyeing, and other causes in no way involving the merits of the raw material. Had I known in time that

I was to discuss this subject, I could have brought exhibits to show some of the causes for complaints concerning woolen fabrics, and that they are not due to the use of reworked wool.

And right at that point I would like to say that so much has been made of this question of durability that I want to say that if the only clothes sold in this country by the retailers were sold on the basis of durability, the wool grower, instead of only growing half the wool required for the American people, possibly would have more than an ample supply. The basis of the purchase of woolen goods by most of the purchasers in this country is not the component of durability. It is the factor of sightliness and style. If durability is wanted, and if it is the duty of Congress to legislate to inform the public what will give the greatest durability, my advice would be that you proclaim cotton corduroy as the most durable fabric for men's clothing. Made exclusively of cotton, it is probably the most durable of any textile fabric that can be made for men's clothing, for all sorts of wear and hard usage. People, of course, will not buy corduroy because, although it possesses the merit of durability, it lacks the other essential merits of style and attractiveness and feel and handle which all go to make the value of cloth.

There remains to consider that fourth basic reason alleged in support of the bill, namely, that the branding of goods to show the components will create an increased demand for virgin wool. If this is true it can only be through the capitalizing of a traditional prejudice. The purchaser who has heretofore bought garments at relatively moderate prices which have contained reworked wool, to obtain garments at the same price made wholly of new wool must be content with a poorer structure or poorer raw material. If out of a given price a larger amount must be spent for raw material the structural design—the fabrication must be less expensive and poorer. If the virgin wool is to cost no more than the reworked wool it replaces, the virgin wool used must be of inferior quality. From one or the other there is no escape.

Most buyers, the great mass of the people, buy their clothing according to the price. They want the best suit they can buy for \$15, or for \$20, or for \$25. If a man is accustomed to buy a suit for \$20 and have that suit give sightliness and strength and durability and all of the various things which go to make it desirable to the purchaser at \$20, still, only paying \$20, is incited to demand only virgin wool, then he must get for that \$20 suit one that is either an inferior grade of virgin wool, one that will be less agreeable, or else he must get an inferior structure of the cloth, which also goes to the question of durability.

In attributing the present large surplus stocks of wool to the use of shoddy the supporters of the bill are not as candid as such ardent advocates of truth ought to be. They well know that accumulated stocks are the result of the derangements of war whereby enemy countries were for nearly seven years deprived of the large amounts of raw wool they normally used. Deducting the amount equal to what that consumption would have been and the world's stock of wool would be inadequate for present needs. . . .

MISSTATEMENTS BY PROPONENTS' WITNESSES CORRECTED.

Mr. WOOD. I have not been able to hear all of the testimony, but there were a few statements that I would also like to correct in the record. Some of them are material, but some not particularly material.

These corrections have more particular reference to the value of the statements of the witness on technical points. Some statements were made in a very confident manner which would naturally carry to the minds of the committee a competence to testify on these questions, unless the record was corrected. It would only take a moment to take that up. . . .

. . . Quarter-blood is much too coarse to successfully spin to yarn of 42's count, and three-eighths-blood is not fine enough to spin yarn of 50's count.

Carbonizing properly done does not impair the strength of the fiber; if it did, a large portion of the noils (which are classed as virgin wool by the bill) would be equally impaired, for they, too, have to be carbonized extensively. Some varieties of fine cloth made wholly of virgin wool require carbonizing after the fabric has been woven. . . .

In quoting the profits of shoddy makers—and by shoddy makers I mean people who convert clips and rags into products—the witness neglected to state that the percentages given in the report were of gross profit before deduction of interest, Federal taxes, and other such financial items; also that the business is one of large turnover in proportion to capital employed. It is usually true that businesses in which the capital employed is small in proportion to volume are largely in the nature of individual service. I knew of an instance of a young man in his first year in business with only the modest capital of his savings who turned it thirty times; with a profit of but 5 per cent on his sales the return on his capital was 150 per cent for that year.

A sample of tender cloth was exhibited, the wholesale price of which was given as \$5 per yard. Mr. Alexander Walker, the leading spokesman for this bill, is an expert in cloth values. I would like to ask him whether cloth such as that sample could be sold anywhere in the United States at \$5 a yard, or anywhere near that figure. Whatever may be the fact with regard to retail prices, it is certain that those who buy in a wholesale way would never buy such goods at such a price.

A serial number would mean little to purchasers in remembering the quality of previous purchases. If any identification is made for that purpose, it should be the maker's name, not the alias of a number; and if the name is applied, that would afford a protection which percentage statements of raw-material content would not.

The war-time advance in the price of some grades of rags was quoted as being in some cases as much as 500 per cent. A reference to the report from which the figure was quoted shows that the average per cent of advance was less than the percentage of increase in virgin-wool prices. The exceptions were such things as blue clips which had a special value for Government use because they were dyed with pre-war dyes, did not need redyeing, at a time when

dyes of equal quality were from 1000 to 2000 per cent above pre-war prices.

There was reference also, which caused some confusion I think, to a sample of fine wool, costing 25 cents per pound, and a sample of shoddy—Government khaki—costing 5 cents per pound, and some comparisons were made of the cost of the material content of the cloths made of these two substances. It was not made clear that for the wool the price named was for wool in the unscoured state, and the 5-cent price was for Government khaki unskirted. The comparison should be made between the costs of the two materials ready for manufacture, which were probably about 62 cents and 15 cents. Before that could be converted into shoddy ready for the machinery of manufacture like wool it would have to be put through the courses which have been described by previous witnesses, which would increase the price very greatly, so that the 5-cent cost would be about 15 cents when converted into shape ready for use. . . .

Mr. WOOD. What I am trying to state is that the impress of maker's name and address on a garment carries with it a responsibility upon his part for all that goes to make it good afterward. . . .

WOOL MANUFACTURERS NOT ANTAGONISTIC TO DOMESTIC WOOL GROWERS.

It seems to be necessary to correct another false impression that has been frequently conveyed here, namely, that wool manufacturers are not interested in the fostering of wool-growing in this country. Independently of narrow, economic interests, and on national and patriotic grounds, the manufacturers for years have given most substantial evidence of their earnest desire to maintain and develop this industry. And speaking as their authorized representative, I can subscribe to all that has been said in favor of helping to make and keep the American sheep industry prosperous. I know that is the sentiment of substantially all wool manufacturers, notwithstanding the efforts which have been made in some quarters to encourage suspicion, distrust, and animosity upon the part of wool growers toward their best customers. We should and can easily have in the United States upward of 100,000,000 sheep; and if a consistent national policy to that end is persistently followed I have no doubt that we shall. But in my judgment the kind of agitation that is being carried on in support of compulsory legislation for wool manufactures, and wool manufactures alone, is doing more to postpone the revival of the American sheep industry than almost any other factor. . . .

PASSAGE OF THE ROGERS-LODGE BILL ADVOCATED.

THE Rogers-Lodge bill, purposely belittled, and misrepresented by the proponents of the French-Capper bill as simply a misbranding bill, would punish all guilty of misrepresentation to consumers selling any commodity, and would not be restricted in its applications alone to textiles containing shoddy. Its passage in place of the French-Capper bill was urged by Mr. John P. Wood who said:

Those for whom I appear have for many years been urging enactment of a law similar to one that has been in force in Great Britain for more than thirty years. The British law is known as the Merchandise Marks Act. It was designed to prevent and punish misrepresentation in connection with the sale of all kinds of goods and has effectually accomplished its purpose. A bill of this character, modeled on the British act, adapted to American conditions, has been introduced in several Congresses by Representative Rogers and is now before a committee of the House of Representatives. A bill identical with that of Mr. Rogers was recently introduced in the Senate by Senator Lodge (S. 1882). If this Rogers-Lodge bill is enacted it will effectually safeguard the consumer so far as it is in the power of Congress to afford him protection and will not create conditions that will cause the consumer to deceive himself which the French-Capper measure will do if enacted. And the Rogers-Lodge bill will do no injustice to the manufacturers of good virgin-wool fabrics by officially classing them with inferior goods made of virgin wool, as would the French-Capper bill. Nor will the Rogers-Lodge bill increase the cost of goods to the consumer as will the French-Capper bill.

The proponents of compulsory branding say that a misbranding law, like the Rogers-Lodge bill, would be ineffective in the case of goods containing shoddy which are sold as "all wool," because shoddy is all wool. That objection can be readily removed by incorporating in the bill such a definition of all wool as will be inclusive only of pure new wool and exclusive of any shoddy, reworked wool, or wool substitutes. Then the sale or offering for sale as "all wool" of any article which in truth contained reworked material would subject the offender to the sufficient penalties of the act.

SENATOR WATSON. You say that is similar to the English law?

Mr. WOOD. Yes, sir. It was drafted from the English law, but the English law recites a good deal of English phraseology, is rather cumbersome, and the language of this bill has been made more in consonance with American practice. That bill, I think, is now before your committee.

Rising to correct false impressions created against the Rogers-Lodge bill Mr. Paul T. Cherington, secretary of the National Association of Wool Manufacturers, said:

It has been stated from time to time that that bill is wholly inadequate for the protection of the public on various grounds, notably that it covers only misbranding. I want to quote one or two sections from the bill to correct that impression. In section 2 of H. R. 16 (the Rogers bill) the bill provides:

That every person who, in any Territory of the United States or in the District of Columbia, misbrands, or misrepresents, or causes to be misbranded or misrepresented or applies or causes to be applied any false trade description to any goods, wares, merchandise, or things,

and so on.

The same wording approximately is used in section 3 to cover the selling or exposing for sale in the Territories of the United States and in the District of Columbia.

Section 4 provides:

That the introduction into any State, Territory, or the District of Columbia from any other State, Territory, or the District of Columbia, or from any foreign country, or shipment to any foreign country, of any article of commerce or trade or other commodity which bears a false trade description or which is misbranded or misrepresented within the meaning of this act, is hereby prohibited.

One other point that I want to bring out in connection with this is contained in sections 5 to 10 of the bill, which set forth the definitions as called for in the law. Particularly in section 6 it is provided:

That for the purposes of this act the expression "trade description" means any description, statement or other indication, direct or indirect—

(a) As to the number, quantity, quality, grade, measure, gauge, or weight of any goods.

Then there are provisions as to the place or country, and the mode of manufacturing, and (d) is as follows:

"As to the material of which any goods are composed."

And there are other provisions of a kindred character. Those, however, are the ones that I want to call particular attention to, because it seems to me that the measure as thus drawn is calculated to protect the public's interest in so far as the public's interest may be jeopardized by any unfair trade practices coming within the scope of the bill under consideration; and that it does it by an accepted principle of law by a method which has been tested for over 30 years, and which has the advantage of being entirely

feasible of administration without causing undue burden on any producer or manufacturer or distributor who has any inclination to be honest, without putting any undue burden on the public, and at the same time giving the public an adequate safeguard against any possible abuse.

The concluding portions of the measure set forth a definite program and method of administration, which also is based on existing laws of a kindred character, and as nearly as can be judged, taken in connection with the provisions set up by the first part of the law, offer a thoroughly feasible and practical and economical method of administration. (Hearings, p. 362.)

TEXT OF ROGERS-LODGE BILL.

H. R. 16. 67TH CONGRESS, 1ST SESSION. S. 1882.

A BILL

To protect the public against fraud by prohibiting the manufacture, sale, or transportation in interstate commerce of misbranded, misrepresented, or falsely described articles, to regulate the traffic therein, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act shall be known and designated as the Honest Merchandise Act of 1921.

SEC. 2. That every person who, in any Territory of the United States or in the District of Columbia, misbrands or misrepresents, or causes to be misbranded or misrepresented, or applies or causes to be applied any false trade description to any goods, wares, merchandise, or things shall be guilty of a misdemeanor, and for the first offense shall, upon conviction thereof, be fined not to exceed \$1,000, or shall be sentenced to imprisonment for a term not to exceed one year, or both so fined and imprisoned, in the discretion of the court; and for each subsequent offense shall, upon conviction thereof, be fined not less than \$2,500 or be sentenced to imprisonment for not exceeding two years, or both so fined and imprisoned, in the discretion of the court.

SEC. 3. That every person who, in any Territory of the United States or in the District of Columbia, sells or exposes for or has in his possession for sale or any purpose of trade or manufacture any goods or things whatsoever to which any false trade description is applied, or which is misbranded or misrepresented, shall be guilty of a misdemeanor, and for each offense shall, upon conviction thereof, be punished as provided in section 2 of this Act.

SEC. 4. That the introduction into any State, Territory, or the District of Columbia from any other State, Territory, or the District of Columbia, or from any foreign country, or shipment to any foreign country, of any article of commerce or trade or other commodity which bears a false trade description or which is misbranded or misrepresented within the meaning of this Act is hereby prohibited; and any person who shall ship or deliver for shipment from any State, Territory, or the District of Columbia to any other State, Territory, or the District of Columbia, or to any foreign country, or who shall receive in any State, Territory, or the District of Columbia from any other State, Territory, or the District of Columbia, or foreign country, and having so received shall deliver, for pay or otherwise, or offer to deliver to any other person, any such

article so misbranded, misrepresented, or falsely described within the meaning of this Act, or any person who shall sell or offer for sale in the District of Columbia or the Territories of the United States any such misbranded, misrepresented, or falsely described article or commodity, or export or offer to export the same to any foreign country, shall be guilty of a misdemeanor, and for the first offense shall, upon conviction thereof, be fined not exceeding \$1,000 or shall be sentenced to imprisonment for a term not to exceed one year, or both so fined and imprisoned, in the discretion of the court; and upon conviction for each subsequent offense be fined not less than \$2,500 or be imprisoned not exceeding two years, or both so fined and imprisoned, in the discretion of the court, and in the discretion of the court each and every instance may constitute a separate offense: *Provided, however,* That this Act shall apply to goods or articles of merchandise intended for export to any foreign country only in the event that a false mark, trade-mark, label, brand, device, or representation is used thereon or in connection therewith; but if said goods or articles shall be in fact sold or offered for sale for domestic use or consumption, then this proviso shall not exempt said goods or articles from the operation of any of the provisions of this Act: *And provided further,* That seeds, roots, bulbs, or nursery stock unintentionally misbranded because of indistinguishability by their appearance shall not be deemed misbranded, misrepresented, or falsely described within the meaning of this Act.

SEC. 5. That for the purposes of this Act an article shall be deemed to be misbranded or misrepresented—

First. If it be offered for sale under the name of another article or with a name or brand so nearly like it as to deceive purchasers as to its origin or character.

Second. If the contents of the package, as originally put up, shall have been removed, in whole or in part, and other contents shall have been placed therein unless a conspicuous notice of such change of contents is attached to such package.

Third. If in package form, and the contents are stated in terms of weight, measure, numerical count, or quality, they are not plainly and correctly stated on the outside of the package, or are stated in such manner as to deceive or mislead the purchaser or be designed or calculated so to deceive or mislead such purchaser.

Fourth. Or if there is published, issued, or circulated concerning, regarding, or in any manner pertaining to said article in any newspaper, magazine, book, pamphlet, circular, or other publication or advertisement, any false, fraudulent, misleading, or deceptive words, statement, representation, symbol, design, device, or trade description as to any of the matters or things stipulated in the foregoing subsections of this section: *Provided, however,* That the publisher of any newspaper, magazine, book, pamphlet, circular, or other publication or advertisement, shall not be subject to the provisions of this paragraph unless he has knowledge that the words, statement, representation, symbol, design, device, or trade description appearing therein are in fact false, fraudulent, misleading, or deceptive.

SEC. 6. That for the purposes of this Act the expression "trade description" means any description, statement, or other indication, direct, or indirect—

- (a) As to the number, quantity, quality, grade, measure, gauge, or weight of any goods; or
- (b) As to the place or country in which any goods were made or produced; or
- (c) As to the mode of manufacturing or producing any goods; or
- (d) As to the material of which any goods are composed; or
- (e) As to any goods being the subject of an existing patent, privilege, or copyright; or
- (f) As to the former or present market value or the amount of reduction in price:

and the use of any figure, word, or mark which, according to the custom of the trade, is commonly taken to be an indication of any of the above matters, shall be deemed to be a trade description within the meaning of this Act.

SEC. 7. That for the purposes of this Act a person shall be deemed to apply a trade-mark or mark or trade description to goods who—

- (a) Applies it to the goods themselves; or
- (b) Applies it to any covering, label, or other thing in or with which the goods are sold or exposed or had in possession for any purpose of sale, trade, or manufacture; or
- (c) Places, incloses, or annexes any goods which are sold or exposed or had in possession for any purpose of sale, trade, or manufacture, in, with, or to any covering, label, or other thing to which a trade-mark or trade description has been applied; or
- (d) Uses a trade-mark or mark or trade description in any manner calculated to lead to the belief that the goods in connection with which it is used are designated or described by that trade-mark or mark or trade description.

SEC. 8. That for the purposes of this Act the expression "covering" includes any stopper, cask, can, carton, bottle, vessel, box, cover, capsule, case, frame, or wrapper, or other cover or container customarily sold and delivered with the commodity contained, or in which such commodity is designed to be exhibited or offered for sale, and the expression "label" includes any band or ticket. A trade-mark or mark or trade description shall be deemed to be applied whether it is woven, impressed, or otherwise worked into, or annexed, or affixed to the goods, or to any covering, label, or other thing.

SEC. 9. That for the purposes of this Act a person shall be deemed falsely to apply to goods a trade-mark or mark who applies a mark so nearly resembling a trade-mark as to be calculated to deceive or mislead or who applies a trade-mark without the assent of the proprietor of such trade-mark, but in any prosecution for falsely applying a trade-mark to the goods the burden of proving the assent of the proprietor shall lie on the defendant.

SEC. 10. That the Secretary of Commerce, the Secretary of the Treasury, and the Secretary of Agriculture shall make uniform

rules and regulations for carrying out the provisions of this Act, including the collection and examination of specimens of articles of merchandise or trade, or other commodities manufactured, sold, or otherwise disposed of or offered for sale or other disposition in the District of Columbia or any Territory of the United States, or which are being transported from one State, Territory, or District, or possession of the United States to another for sale, exchange, or other disposition, or which shall be offered for sale, exchange, or other disposition in any State, Territory, or District other than that in which they shall have been respectively manufactured or produced, or which shall be received from any foreign country, or which are intended for shipment to any foreign country, or which may be submitted for examination by the appropriate officer of any State, Territory, or the District of Columbia, or at any domestic or foreign port through which such articles are offered for interstate commerce, or for export or import between the United States and any foreign port or country.

SEC. 11. That if any United States district attorney or other competent authority so requests, an examination of such specimens shall be made in the Bureau of Standards of the Department of Commerce, or under the direction and supervision of such bureau, for the purpose of ascertaining from such examination whether such articles or commodities are misbranded, misrepresented, or falsely described within the meaning of this Act; and if it shall appear from any such examination or otherwise that any of such specimens are misbranded, misrepresented, or falsely described within the meaning of this Act the Secretary of Commerce shall cause notice thereof to be given to the person from whom such samples or specimens were obtained and to the person, if any, whose brand appears thereon. Any person so notified shall be given an opportunity to be heard under such rules and regulations as may be prescribed as aforesaid, and if it appears that any of the provisions of this Act have been violated by such person, then the Secretary of Commerce shall at once certify such fact to the proper United States district attorney, with a copy of the results of the examination of such article, duly authenticated under oath by the officer making the examination, and a copy thereof shall also be furnished to the person against whom complaint is made: *Provided, however,* That the Secretary of Commerce may, in his discretion, refrain from certifying to a United States district attorney the fact of violation in the case of a first offense and in case the offender shall enter into and faithfully observe a stipulation forever to cease and desist from further violation of this Act.

SEC. 12. That it shall be the duty of each district attorney to whom the Secretary of Commerce shall report any violation of this Act, or to whom any appropriate officer or agent of any municipality, county, State, Territory, or the District of Columbia shall present satisfactory evidence of such violation, to cause appropriate proceedings to be commenced and prosecuted in the proper courts of the United States, without delay, for the enforcement of the penalties as in such case herein provided.

SEC. 13. That no dealer or other person shall be prosecuted

under the provisions of this Act when he can establish a guaranty signed by the manufacturer, wholesaler, or other person residing in the United States from whom he purchased such goods or articles to the effect that the same are not misbranded, misrepresented, or falsely described within the meaning of this Act, designating it. Such guaranty may be general, covering all sales by the guarantor to such dealer or other person, or special, covering a particular sale, and in such case may be embodied in the contract or invoice of sale or in a separate instrument. Such guaranty, to afford protection, shall be relied upon in good faith by the dealer or other person and shall contain the name and address of the person making the sale of such article to such dealer or other person, and in such cases such guarantor making the sale shall be amenable to the prosecution, fines, and other penalties which would attach in due course to the said dealer or other person under the provisions of this Act: *Provided, however,* That where such goods or articles of merchandise when so purchased by the dealer or other person are so branded or labeled as to indicate or purport that they are not misbranded, misrepresented, or falsely described within the meaning of this Act, designating it, and the dealer or other person in good faith relies upon such branding or labeling, the same shall be construed in law as a guaranty to such dealer or other person within the meaning of this section.

SEC. 14. That any article which is misbranded, misrepresented, or falsely described within the meaning of this Act, and is being transported for sale from one State or Territory or the District of Columbia to any other State, Territory, or the District of Columbia, or, having been transported, remains unloaded, unsold, or in the original unbroken packages, or if it be sold or offered for sale in any Territory or the District of Columbia, or if it be imported for sale from a foreign country, or if it be intended for export to a foreign country, shall be liable to be proceeded against in any district court of the United States within the district where the same is found and seized for confiscation by a process of libel for condemnation. And if such article is condemned as being misbranded, misrepresented, or falsely described within the meaning of this Act, the same shall be disposed of by destruction or sale, as the court may direct, and the proceeds thereof, if sold, less the legal cost and charges, shall be paid into the Treasury, of the United States; but such goods shall not be sold in any jurisdiction contrary to the provisions of this Act or the laws of that jurisdiction: *Provided, however,* That upon the payment of the cost of such libel proceedings and the execution and delivery of a good and sufficient bond to the effect that such articles shall not be sold or otherwise disposed of contrary to the provisions of this Act or the laws of any State, Territory, or District, the court may by order direct that such articles be delivered to the owner thereof. The proceedings of such libel cases shall conform, as nearly as may be, to the proceedings in admiralty, except that either party may demand trial by jury of any issue of fact joined in any such case, and all such proceedings shall be at the suit of and in the name of the United States.

SEC. 15. That the Secretary of the Treasury shall deliver to the Secretary of Commerce, upon his request from time to time, samples of articles which are being imported into the United States or offered for import, giving notice thereof to the owner or consignee who may appear before the Secretary of Commerce and have the right to introduce testimony. If it appears from the examination of such samples that any article which is being imported into the United States or offered for import is misbranded, misrepresented, or falsely described within the meaning of this Act, the said article shall be refused admission, and the Secretary of the Treasury shall refuse delivery to the consignee and shall cause the destruction of any goods so refused delivery which shall not be exported by the consignee within three months from the date of notice of such refusal under such regulations as the Secretary of the Treasury may prescribe: *Provided,* That the Secretary of the Treasury may deliver to the consignee such goods pending examination and decision upon the execution of a penal bond for the amount of the full invoice value of such goods, together with duty thereon. On refusal to return such goods for any cause to the custody of the Secretary of the Treasury when demanded for the purpose of excluding them from the country, or for any other purpose, said consignee shall forfeit the full amount of the bond: *Provided, further,* That all charges for storage, cartage, and labor on goods which are refused admission or delivery shall be paid by the owner or consignee and, in default of such payment, shall constitute a lien against any future importation made by such owner or consignee.

SEC. 16. That the term "Territory" as used in this Act shall include the insular possessions of the United States. The word "person" as used in this Act shall be construed to import both plural and the singular, as the case demands, and shall include corporations, companies, societies, and associations. The expressions "falsely described," "false trade description," and "falsely applying," as used in this Act shall include misleading descriptions or applications. When construing and enforcing the provisions of this Act the act, omission, or failure of any officer, agent, or other person acting for or employed by any corporation, company, society, or association within the scope of his employment or office shall in every case be also deemed to be the act, omission, or failure of such corporation, company, society, or association as well as that of the person.

SEC. 17. That nothing in this Act shall be construed to repeal, amend, or affect the provisions of the Act known as the Food and Drug Act of June 30, 1906, or the Act known as the Insecticide Act of 1910.

SEC. 18. That the unconstitutionality of any part of this Act shall not affect the constitutionality of the remainder of the Act.

SEC. 19. That this Act shall be in force from and after six months from the date of its passage.

CARDINAL OBJECTIONS TO COMPULSORY BRANDING OF WOOL TEXTILES.

1. Branding of wool fabrics to show only their fiber content cannot have any relation to the durability, warmth, or other desirable properties of the fabric and hence at best is useless, and at worst is misleading.

2. The distinction between wool fibers "previously spun or woven" and those spun or woven the first time cannot be established by physical or chemical test. It can only be made certain by knowledge of the fibers' actual history—a difficult matter to make sure of without costly systems of oaths, inspections, and bondings.

3. The knowledge of fiber content provided for by the proposed law would not only be useless or misleading to the consumer, if accurately transmitted to him, but the process of making sure that it was accurately transmitted to the consumer opens up chances for fraud not offered by the normal channels of commerce. Claims of merit implied in false declarations under the law would be extremely difficult to refute.

4. Branding to show only fiber content would be bad enough if it were merely made optional under a Federal registration and branding system. To make it compulsory puts a needless and costly handicap on all honestly conducted wool fabric business, and in addition to offering no hindrance to dishonest persons, opens up to them new chances for deception. It is not unlike a Federal statute requiring all men to wear a button telling how many times they have been to Boston. If honestly lived up to, it is meaningless, and whatever advantages may be gained from compliance are open to the just and the unjust alike, regardless of the facts.

5. Compulsory branding of the sort contemplated, if honestly and effectively done, would cost something. That cost would be justified only if the return to the public were valuable and certain. It could be neither of these.

6. The wool growers who expect that this project will raise wool prices are deceived, first, as to the amount of reworked stock used, second, as to its use as a substitute for wool instead of as a supplement to the wool supply as is actually the case, and third, as to the facts concerning the relative prices of new and reworked stock and the fabrics made from them. These facts have been brought out repeatedly.

7. The project does not provide for "Truth in Fabrics" but for the compulsory branding of incomplete assertions, the accuracy of which is incapable of proof or refutation and the implications of which are deceptive.

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THE COST AND INEFFECTIVENESS OF COMPULSORY BRANDING.

HOW THE PROCESS OF DISTRIBUTING WOOL FABRICS WOULD BE HINDERED AND ITS COST INCREASED BY OBLIGING WOOL FABRIC MANUFACTURERS TO BRAND EVERY YARD.

(Excerpts from testimony concerning the French-Capper compulsory branding bill before a committee of the United States Senate, June 1-8, July 7 and 8, 1921.)

IN order to show clearly how useless, cumbersome, and costly the process of compulsory branding of wool fabrics would be under the proposed French-Capper bill we have arranged here in order from the clothing retailer back to the wool merchant statements showing how the various steps in distribution would be affected.

These are all taken from the recent hearings before the subcommittee of the Senate Committee on Interstate Commerce.

The first is a resolution passed by the Board of Directors of the National Association of Retail Clothiers and is as follows:

The board of directors of the National Association of Retail Clothiers in session at Chicago, on June 2, after careful consideration of the regulations asked for under the bills known as the French and Capper bills for the labeling of merchandise to show its constituent parts, are unanimously and firmly of the belief that such legislation does not afford to the consumer the protection that is claimed for it by its supporters. To the contrary, it is the belief of the board that if enacted into law it would legitimize certain misleading if not fraudulent misrepresentations regarding merchandise. It is the firm belief of the board that the law if enacted would prove not only impractical, but impossible of enforcement.

The board of directors is not adverse to legislation that will protect the interests of the consumer and would gladly lend its support to any practical measure that would protect the interests of the consumers in the merchandise they buy, and they suggest some act along the lines of the British Merchandise Marks Act adapted to the needs of this country, which would make it a penalty to misbrand merchandise, as being practical and effective.

The board by this resolution strongly protests against the enactment of the French and Capper labeling acts for the above reasons.

MR. JOHN W. HAHN, Executive Secretary of the National Garment Retailers' Association, New York City. The National Garment Retailers' Association, composed of 1200 retailers of women's, misses', and children's wearing apparel throughout the country, do

hereby emphatically register their protest against the passage of bill S. 799, introduced in the United States Senate by Senator Capper, and submitted to your committee for consideration.

If there were no other reason for our opposing this measure, we would do so solely on the broad ground that it is class legislation and is urged only in the interest of the wool growers. We believe that it has never been the intention of Congress, and it is not now, to pass any legislation which would promote the interests of a few in one section to the disadvantage of others in other sections of the country.

The bill itself, we believe, is misbranded; it would not "prevent deceit and unfair prices that result from the unrevealed presence of substitutes for virgin wool in woven fabrics," etc., as claimed for it. On the contrary we believe the passage of this bill would encourage malpractice and dishonest dealing.

Your committee will see that there is nothing in the bill which would in any way compel those trade factors handling woolen fabrics to specify on the labels or brands the quality of the wool going into the fabric. There are many qualities and standards of wool, and simply to say that a fabric is 100 per cent virgin wool, is in itself no recommendation or standard, and would mean nothing in the way of protection to the public. On the other hand, such a law would mislead the public to believe that all fabrics or garments branded 100 per cent virgin wool are of the best quality and superior to wool mixtures, though the intrinsic value of the mixtures may be greater than that of some virgin-wool fabrics.

So the passage of this measure, in our opinion, would place all virgin-wool fabrics on the same level, and dishonest traders so desiring could easily take advantage of the law to enrich themselves at the expense of the consuming public.

HOW THE PUBLIC WOULD BE DECEIVED.

To illustrate how the public might be deceived under such a law: Two garments of the same style and character, one of excellent virgin-wool and the other of inferior virgin-wool fabric, would be branded identically the same. Naturally the public would consider them of equal value, and traders so desiring might easily increase the price level of the inferior virgin-wool garment to that of the better virgin-wool garment and extort an unfair profit. The public, of course, would take it for granted that they are fully protected under this legislation.

Then, again, if the garment of the inferior virgin-wool fabric was not advanced in price, would not this bill put the honest traders to a great disadvantage? We believe it would, as the honest trader would have great difficulty in convincing the public that the fabrics of his garment are of a better quality virgin wool than the fabrics of the dishonest trader, and the public would simply accept his statements that they are better as attempts on the part of the honest trader to excuse high prices.

Every factor in trade to-day is striving to bring down prices so that there will be a general resumption of trade and a return to normal conditions. Pass this legislation and, in our opinion, instead of declining prices, the public will witness increased prices on all virgin-wool fabrics.

This bill intends to brand or label fabrics or garments as to the percentage of virgin wool. To say that a cloth is a virgin-wool fabric is no particular recommendation for it as against the fabric made partly of shoddy and virgin wool. To the trade shoddy means re-worked wool; to the consumer it means an inferior substitute, and this misconception would only be confirmed in the opinion of the public by the passage of this law. Naturally the public would assume that their conclusion that shoddy is inferior was justified, for otherwise, they would reason, the United States Congress would not find it necessary to pass legislation compelling the labeling of fabrics containing shoddy. So you would find the public more and more turning from those fabrics composed partly of shoddy and accepting only virgin-wool fabrics, regardless of the merit of the wool-mixture fabric and the quality of the virgin wool.

Shoddy does not mean inferiority. We, ourselves, find it almost impossible to determine, even by careful analysis, whether certain fabrics are made partly of shoddy and partly of virgin wool or entirely of virgin wool.

Much has been said, Mr. Chairman, at this hearing regarding shoddy. Nothing has been said regarding goats; if this bill were passed into law the retailers would be the goats, and that is why we are here protesting, because we do not want to be the goat.

PASSAGE OF BILL WOULD ADD TO GARMENT RETAILER'S OVERHEAD.

In our opinion, the passage of this bill would add to the garment retailer's overhead by necessitating the maintenance of a vigilance force within the store to make certain that the provisions of the law are being properly carried out. A bureau of scientific research might have to be established to test the fabric of each garment, especially to ascertain the amount of cotton, if any, contained in the fabric before offering it for sale, to be assured that the labels attached by the manufacturer are correct and truthful, for the burden of proof under the bill rests upon the retailer. In case of error it is obligatory upon the retailer to prove that the label attached to the garment going out of the store was the label passed along to the store by the manufacturer.

The committee will realize that the retailer might be wholly innocent of the offense, yet it would, in some cases at least, be difficult for the retailer to prove his innocence. The committee will also appreciate that retailers during the course of the year have returned to them hundreds of garments purchased by the public which in many cases have been worn. If the label were detached, as it probably would be by the consumer, what guaranty would the store have that the label and garment returned were associated when they left the store? Some garments would likely come back without labels; many garments, especially those returned for no other reason than that they do not please the customer, are sold over again. How could the store protect itself on these garments if the labels had been removed?

Labor leaders with bolshevik tendencies might well use the passage of this law for the purpose of stirring up greater unrest, emphasizing class distinction, and pointing out the advantages the rich have over the poor, even in the buying of clothing. They might attempt to convince the poor that only the wealthy could buy garments

of virgin wool while the poor must buy cheaper grades, where cotton and shoddy are used as a mixture with virgin wool.

If such protection were needed—and we declare it is not—there are sufficient State laws to give the public adequate protection along this line without Federal legislation. We believe that the intention and desire of the stores to deal honestly is a greater safeguard to the public than all the laws of this kind that Congress could enact. Stores that are dishonest can not continue long in business.

But we respectfully call to the attention of the committee that 36 States in the Union now have advertising laws sufficiently embracing to protect the public against false and misleading statements, not only when used in the sale of woolen fabrics and garments of woolen fabrics, but all kinds of wares and merchandise.

If it is the intention of the supporters of this bill to sincerely protect the public, all that is needed upon their part is to check up the offenders and prosecute them under the law in these 36 States and to urge the adoption of similar laws in the remainder. For the information of the committee we are submitting the complete text of the honest-advertising law, known as the Printers' Ink model statute, which, we believe, takes care of the condition which the supporters of this bill claim exists.

MR. PAUL PRAGER, Manufacturer of women's clothing, New York City. I propose to confine myself exclusively to the impracticability and workability of the bill. We are not so much concerned in the truth in fabric bill as proposed as the truth in legislation. Enactment of this bill, in our opinion, would only add greater cost to the consumer, and we are interested in the question as to who is to pay the bill. We sympathize with the sheep industry, and any bill that would give their industry relief would be welcomed by us, provided it did not, by the workings of the bill, tax an excessive levy on the many to support the few.

The proponents of the bill take the wool from the sheep's back and by some magic process transport it immediately to the consumer of ready-made garments. They tell you, as has been testified here, that all that they require to make the sheep industry a profitable industry is a 20-cent advance on the present price of wool, and that this advance, based on an average of $4\frac{1}{2}$ pounds required to make a garment, would only add \$1 to the cost of the garment—that is, to the consumer—without taking into consideration the many ramifications that this wool must pass through before reaching the consumer.

Taking their own figure of \$1 added cost per garment, the wool buyer, before passing it on to the woolen manufacturer, would have to add his percentage of overhead cost plus the profit of the woolen manufacturer; it becomes one of the factors in determining the cost of his material, to which he adds his percentage of overhead and profit and passes it on to us. We have to calculate our garments based on this cost and add on our percentage of overhead and profit and pass it on to the retailer. The retailer must add his percentage of overhead and profit and he must collect this amount from the consumer, who in the final analysis pays the bill. And, mark you, this is only based on the assumption that wool will advance only 20 cents a pound.

If this bill is enacted and the fondest hopes of the wool growers

are realized, and the demand becomes greater than the supply and keeps on increasing, and the price of wool has advanced beyond 20 cents a pound and keeps on climbing, I will leave it to the judgment of the committee as to what will be the size of the bill that the consumer will have to pay.

It would be exceedingly difficult for a spurious fabric to get into our industry. If there is one thing that our industry does do and does well it is to give to the public the best wearing and most stylish material that it is possible to give for the priced garment it is able to purchase. Before placing an order for any quantity of material, we require a sample piece to be delivered and we put it to every test that is necessary to determine its durability for the purpose and for the priced garment in which we intend to use it.

Having passed the inspection of our examiners, it is sent to the sponger again to be examined for possible imperfections in weaving, in shading, and for tenderness. If the sample piece meets all these requirements, an order is placed and every piece of goods that is delivered against this order is subject to the same tests, and every piece not coming up to the requirements of the sample or found imperfect is rejected by our examiner and sponger, and returned to the mill from which it is purchased.

INNUENDO THAT ADULTERATED CLOTHING IS FORCED UPON CONSUMER RESENTED.

We resent the slur cast upon our industry by direct testimony and by innuendo that adulterated clothing is forced by us upon the consumer; that we take their good money and give them counterfeits in exchange.

I have no knowledge of the sheep industry, the shoddy industry, the spinner, the weaver, or how our goods are manufactured greater than is possessed by the average intelligent citizen, nor am I going to wander into pastures I know not of, but from the time the finished cloth is delivered into my hands until it reaches the consumer as a finished garment I do know as a result of my 33 years' experience in the garment-manufacturing industry.

I have been brought up in it from a boy, and have been through all the different sales houses.

The national demand for revision of prices downward has compelled us to exercise the most rigid economy and to scrutinize production costs and to apply the pruning where possible without impairing efficiency. Our great need to lessen prices is production; we cannot reduce wages in the same ratio that other commodities are being reduced, but we are asking that there be more production for the same rate of wage, and right now we are devoting all of our energy for this purpose, and if this bill is enacted into law, it will, as I will later point out, slow up production to such an extent as to exceed the prices that had to be asked for manufactured garments during the war period.

As regards the stamp that would be required under this bill, we would have to demand of the mills that it be placed on the selvage. We cannot use materials with the stamp in the back.

As stated before, our garments are made for us by sub-manufacturers and contractors, and there are employed for the making

of ladies' coats, suits, and skirts approximately 50,000 workers, divided up into about 2200 shops. These workers are all foreigners, the great majority coming from Russia, and a great number do not even speak our language and have to be dealt with through persons able to speak their and our language.

They are very clannish, congregate in one locality, bring their foreign and religious customs with them, read only papers printed in their own language, observe all the holidays that their religion calls for, and these are many, and come mostly in the heart of our season. If you should perchance be in their locality any morning that they go to work and ride in the same public conveyance that they do, you would not see a single English paper read or hear the English language spoken, and it is to these people in our industry that must be intrusted the duty of complying with this law, when it would tax the intelligence of the average intellectual person to interpret its condition.

The wages generally amount to about—it averages from an operator at about \$60 a week down to as low as \$30.

I profess for myself but an ordinary degree of intelligence. I have been in this garment industry since a boy of 18 years of age, and have not had the opportunity that others have had to acquire that knowledge that everyone desires, and I want to say right here that I am hazy on a great many points in this bill regarding the manner in which it is to be enforced.

IF DESIRED LAW SLOWED UP PRODUCTION ONE GARMENT PER MACHINE IN TWO DAYS COST WOULD BE INCREASED TWENTY-FIVE PER CENT.

The workers in our industry work 44 hours a week and are highly paid. I mean by that the operator is paid the highest of all; we have operators that are paid \$120 a week; the minimum is \$50. They produce on an average of only four garments a day for each operator, and, as stated before, we are bending every effort to increase this average production to at least six garments per day in order to lessen the price of the garment to the consumer without being forced to furnish cheaper materials in order to meet the popular demand for lower priced garments. If the enactment of this bill would slow up the production only one garment per machine per two days, and we contend it will be greater, it will raise the cost to us at the very least 25 per cent. The workers in our industry work on week work and not on piecework, as heretofore, and they are only looking for an excuse when accused of soldiering on the job, and the French-Capper bill will be blamed for the slowing up of production even if it were not all the fault of the bill.

The sub-manufacturers who have these week workers in their shops solicit orders from our members on a very close margin, sometimes making as low as 25 cents on a garment, and depend only on the volume of garments they can produce within a given time for their profit. I might say incidentally, in rare cases, they depend on the value of the clippings they can get out of the cuttings.

There is employed by each member of our association, or the duties filled by a member of the firm, what is known as a style producer and buyer. To this party these sub-manufacturers come and display sample garments. If the styles shown meet with the ap-

proval of the buyer, he usually places an order with the sub-manufacturer under styles shown, or will make such changes as he thinks might increase the selling possibility of the style. Sometimes it is made of a checked jacket, a broadcloth vest, and a plain-woolen material skirt, necessitating under the proposed bill, if enacted, three labels to this particular garment. This sub-manufacturer is furnished with enough materials to cover the amount of the order placed with him, and if the order he has received from one of our members is not large enough for the capacity of his plant, he keeps on soliciting more orders from other garment manufacturers, receiving from each garment manufacturer the cloth for the garments ordered, together with the labels, and before he is through, and especially at the beginning of a season, he may have had to secure orders from ten or more garment manufacturers with as many kinds of materials and the labels that go with them before he is able to keep his plant going a reasonable length of time.

He is skilled in the producing of garments to a high degree, he knows economy to the nth degree, but that is all that he does know, or if he does know more, cares little about it. He is only interested in getting his orders and fighting for his price, and after having received his orders to produce his garments as economically as he can, and if anybody knows that it is the sub-manufacturer in our industry.

TROUBLES LABELS REQUIRED BY PROPOSED LAW WOULD CAUSE.

Having this in mind, he can not cut a single size of any order unless he has enough orders to make a full lay; that is, to the capacity of the electric-cutting machine that he uses. In making this lay he uses the materials best suited for this purpose irrespective of what manufacturer it comes from. Materials vary in width, running after sponging from 48 to 56 inches in width, and in order not to waste material he must cut all the same widths together.

When the lay is completed the cutter lays out the pattern and must chalk out his pattern inside the selvage, and when he is through cutting out the garments the original marks of identification that the proposed bill, if enacted, would compel the mills to put upon their materials, together with the license number, will have been obliterated.

When the garments are cut, they are sent to the assorter who assort the bundles.

There is again a lining cutter, who cuts the linings, and they are assorted in separate bundles.

The cloth bundles are sent to the basters, who baste in the canvas, and then they go to the operator, who sews the garment on his machine. Then it goes to the underpresser, from there to the tailor, who sews in the lining and all other necessary handwork, from there to the buttonhole maker, and then to the uppresser, and finally to the finisher, the cheapest-paid labor of all, and it is this person's duty to put the finishing touches to the garment, put on the buttons and other necessary trimming, and sew on the proposed label.

All this time the hundreds and hundreds of labels that this sub-manufacturer has gathered from the various garment manufacturers from whom he received orders are either in his office, if he has any, or been handed to his foreman, who places in the basket of the fin-

isher as many labels as necessary, and, mark you, in many instances it may require two or three labels for a single garment, and he or she simply reaches in the basket, picks up and sews on the first label he or she comes to. It would be utterly impossible for the finishers to pick out the proper labels, if they were able to, for as stated before, in the majority of instances they are unable to read and write English, and even if they were they have no expert knowledge of cloths. The bill, if enacted, would have to be enforced, and it would necessitate in this sub-manufacturer's place of business experts far beyond the caliber of people in his employ and at such increased expense and such waste of time as to materially reduce his production to such an extent that the price of the garment, due to the cost of producing the garment, would almost double.

INDUSTRY IS SEASONABLE AND LARGE PRODUCTION IS NECESSARY.

Ours is a seasonable industry. It is absolutely essential in our industry that the shortest possible time must elapse from the receipt of its order to its delivery. Garments come into our place of business commencing about four o'clock daily in enormous quantities, and must be examined, charged, and shipped that very same day. In order to live up to the full provisions of the proposed bill, if enacted, it would entail upon us the employment of a force much greater than the present force used in the receiving and shipping of garments, and after we had gone to all that expense we could still not be certain that the right labels were on the right garments. If a certain material is in vogue, or a certain shade is in vogue, the demand for that particular material or particular shade is so great that we are compelled to buy the material from as many mills or from any place or from any cloth jobber from whom we can obtain it. We even have to go so far as to call upon other garment manufacturers to help each other out in their dire needs of that particular material or shade. These various materials are furnished by us to the sub-manufacturer; they are all more or less similar in character, but the component parts of wool or shoddy might be greater or less in one or the other, and while it might be true that by the mark required to be put upon the material by the proposed bill we would absolutely know the composition of the material when it went to the sub-manufacturer, yet after the process heretofore outlined had been resorted to in the course of manufacture and all markings necessary obliterated we would have no possible means of knowing from which mill the material of each garment came, and I doubt if the mill men themselves would be able to detect their own materials.

The passing of this truth in fabric bill would impede the progress and reduce the output of our industry, in which millions of dollars are invested, to an alarming extent, and to one that might result very disastrously, with no resultant benefit to the consumer.

Therefore, on behalf of the association that I represent, and on behalf of our industry, and for the reasons just stated, and for the further reasons that, first, it improperly and incorrectly attacks the question of misrepresentation of merchandise; second, it sets up false standards for judging the different kinds and grades of fabrics; third, it will seriously impair and impede commercial progress;

fourth, that it will entail an unnecessary expense in the production cost of merchandise without benefit to the consumer—I desire to go on record as opposing the passage of this bill. (Hearings, pp. 351-357.)

TERM VIRGIN WOOL WOULD COVER MANY REJECTED FABRICS.

MR. SIGMUND B. SONNEBORN, Manufacturer of men's clothing, Baltimore, Md. My opposition to the bill, Mr. Chairman, is due to the fact that I believe that calling anything virgin wool and putting it out to the consumer is bound to mislead the consumer. We have to ask ourselves: What is pretended to be meant by virgin wool? If the name "virgin wool" would be applied to all the fabrics that are really made of virgin wool it would cover a great many fabrics which we have discarded from use because we know that they are too poor to be used. They are unsatisfactory goods. In other words, the words "virgin wool" could be used on classes of goods which we would not think of using, because they would not give real satisfaction.

SENATOR WATSON. Would this labeling proposition injure you or help you, or make any difference to you?

MR. SONNEBORN. Well, it would be very difficult to say. I do not think it would injure us; I do not think it would help us. I think it would befuddle the consumer.

SENATOR WATSON. You think it would befuddle the consumer?

MR. SONNEBORN. Yes; and it would certainly add a considerable amount of unnecessary work to the clothing manufacturer, especially if the question is to be asked: How is it going to be marked on the suit? Is it going to go on the coat only? Is it going to go on the vest? Is it going to go down on the trousers, because trousers are sold separate and coats are sold separate. If you figure that the label is sewed on, and then figure the branding of it, the making of it, the sewing on of it, I should judge that the pure labor of attaching the labels on every suit of clothes would burden that suit around from 15 cents to a quarter, because the way suits of clothes are made—we manufacture suits in layers, and we will take a blue cloth and lay it on the table, and right on top of it we may put a green one, and next to it we may put a brown one, and then again a blue one, and we can lay that up three or four or five or six or seven high; I think that is about as high as we will go, and then they afterwards are separated in manufacture. No; if you were to stamp every one of these goods, that would mean a great deal of work that would finally have to be charged to the consumer, and would add considerable to the cost. (Hearings, pp. 335-343.)

LABELING OF GARMENTS WOULD BE TREMENDOUSLY DECEPTIVE.

MR. GEORGE S. LEWY, Representing the Dress and Waist Manufacturers' Association, New York City. Mr. Chairman and members of the committee, in behalf of the members of the association who manufacture dresses, and speaking also for the Association of Dress Manufacturers, I desire to submit the following comments for your consideration in connection with the French-Capper bill:

First. It appears to us that the labeling of materials used in

garments must result in an increased cost to the consumer. At present thoroughly dependable worsted and woolen materials of good wearing qualities are used to make dresses, and they give satisfaction to the consumer. We do not know whether or not they contain shoddy, but if they do and the proposed measure is enacted into law, it will be impossible to use such materials any longer, as the consumer is not sufficiently educated in materials to understand that a shoddy content may not at all affect their wearing quality, and will fight shy of a material not labeled "virgin wool." The cloth to replace the materials first mentioned will cost more, we must assume.

SENATOR WATSON. You are engaged in the manufacture of ladies' wear?

MR. LEWY. No, sir; I am the secretary of the trade association; the trade's manufacturers.

SENATOR WATSON. This has reference, of course, to women's dresses altogether?

MR. LEWY. Yes; entirely.

SENATOR WATSON. How many members are there in your association?

MR. LEWY. In our particular association, 185; but in the Associated Dress Industries of America, we have close to 500 members; that is a national organization. . . .

The very word shoddy is distasteful to the ordinary consumer who does not know that it stands for wool used over again, but does believe that shoddy means something bad.

Second. A cloth may be made wholly of virgin wool and still be far inferior to and have poorer wearing qualities than one with a shoddy content, though costing more.

THE PUBLIC WOULD BE MISLED.

Third. The public will be misled by the virgin-wool label, and instead of depending upon the reputation and reliability of the retailer, who, to guard that reputation is certain to see that the dresses he sells are made of serviceable materials, will depend upon the label solely. Two dresses may be manufactured of exactly the same style, the one from a material of low-grade virgin wool, the other from a material of high-grade virgin wool. The one made of the low-grade material will naturally sell for less than that made from the high-grade material; yet both dresses will carry exactly the same virgin-wool label, and the public will be deluded into buying a poor article simply because its price is lower. While apparently cheaper, the lower priced article may in reality be more expensive in the end than the higher priced. The label has been of no assistance whatever to the consumer, but has simply misled her.

Fourth. The business of the dress manufacturer who would use high-grade virgin-wool materials, and who has a reputation to maintain, would suffer from the competition of the dress manufacturer who would use low-grade virgin-wool materials, and who could undersell him style for style; that is, two styles may be made, one of a low grade, and the other of a high grade, and the low grade would outsell the other, because of the label.

DEPEND UPON MATERIALS BOUGHT FROM REPUTABLE MILLS—NOT ON PRICE ALONE.

Our experience in buying cloth has taught us to depend on materials bought from reputable mills in whose output we have confidence and whose goods have proven satisfactory, rather than to be attracted by price alone. We could continue to so depend and would prefer to buy a wool fabric, even though it may contain shoddy, which had previously given satisfaction, rather than buy a virgin wool fabric without any reputation behind it.

Our success, however, in convincing our customers that the garment labeled as containing shoddy is exactly the same one that had hitherto proven satisfactory without the label would be highly problematical. In fact, we believe we could not convince them, no matter how meritorious the cloth might be. We prefer to continue doing business along the established lines of confidence, rather than be plunged into a mass of experimentation at a time of readjustment such as this.

Fifth. The bill appears to us to be class legislation. If it be necessary for the protection of the public to label wool materials as to their content, it should follow that other materials should be labeled also. Silk materials often contain cotton or other admixtures; linen materials often contain cotton, although it has never been maintained to our knowledge, that linen mixed with cotton is not a thoroughly dependable material. Selecting wool alone to be placarded as to whether or not it has entered into a cloth in conjunction with other fibers, some of which may be wool, appears to be class legislation pure and simple in favor of a very small portion of the public at large, and having for its admitted purpose the enhancing of the price of wool.

Sixth. We believe it would be almost impossible to enforce the provisions of the bill. It has been admitted by the proponents that shoddy cannot be detected once it is mixed with virgin wool. There is nothing, therefore, to prevent a manufacturer of cloth with an atrophied conscience—and there may be such—from mixing shoddy with virgin wool and labeling the product "virgin wool." To prevent this would entail the maintenance of a large force of inspectors throughout the country at a large expense, and the result would hardly justify the expense, as the consumer would be protected solely against a phantom.

Seventh. A representative of the dyers and cleaners stated that his industry was suffering because it did not know the composition of the cloth that entered into the garments given over to be re-dyed or cleaned. He believed that the label would solve this difficulty.

WHAT CONSUMERS WOULD DO WITH THE LABELS.

It is safe to assert that the first thing a consumer would do would be to rip out any label that would indicate the garment she may have had the courage to purchase containing shoddy. It is a known fact in our industry that women will remove from a garment the label of a high-class dealer and sew it into successive garments for years and years, but there is no probability that this would happen with the label under discussion.

That is a fact, they will take the label of a garment from a very high-class dealer and sew it into another garment.

Further, the same gentleman stated that it was the hope of the dyers and cleaners that the bill would reduce the establishments in that industry from 200,000 to 50,000 or 100,000, so that the interest of the dyers and cleaners in the measure can hardly be viewed as purely altruistic.

Eighth. In conclusion, our argument may be summed up as follows:

The proponents desire to sell more wool by barring shoddy entirely, as it is almost certain that no matter how small the admixture of shoddy, consumers will not buy anything labeled shoddy. That this is also the belief of the proponents of the bill is clearly evidenced by section 14, which provides:

The term "shoddy" shall include any material obtained from any fabric or clipping of cloth of any fiber whatever, or secured from rags or from used apparel of any description, or any fiber that has been previously spun or woven into cloth, as well as wood, hemp, jute, flax, and hair fiber not properly classed as wool of any description, and from whatever source obtained.

The term "shoddy" as understood in trade circles hitherto has meant reworked wool. The new definition here given it, and piling upon it the responsibility of being spokesman for wood, hemp, jute, flax, hair, and even feathers, must clearly indicate that the proponents desire to bury it beyond any hope of resurrection, and to make it stand for something even more sinister than the meaning it already has in the public's understanding. Why, it might as well have been defined "shoddy, any old junk that is not virgin wool." (See Hearings, pp. 344, 345, 346.)

MR. WILLIAM GOLDMAN, of New York, clothing manufacturer; formerly president of the National Association of Clothing Manufacturers, and at present chairman of the Mutual Adjustment Bureau of the Cloth and Garment Trade. The proposal to label garments so as to indicate the constituent elements of the fabrics of which they are manufactured, accurately and in detail, is objected to by the clothing manufacturer because he believes—

First. That no such legislation is demanded by the consumer, nor is required in the interest of the consumer, and the advocacy of such legislation is confined largely to those who would be the beneficiaries of the enactment.

Second. That it is impractical, and that violations of the law, if enacted, can not be prevented.

Third. That it is uneconomic in that its effect would be to curtail the consumption of reworked wool and wool substitutes and raise the price of wool.

Fourth. That it is misleading to the consumer in that it seeks to convey to him that wear and service are definitely related to the percentage of virgin wool contained in the fabric. . . .

When we undertake to denounce reworked wool or wool substitutes we are doing everything that we possibly can to raise the price of raw wool through larger consumption and make it cost more and

to reduce the consumption and conservation of the waste materials, which have come to play such an important rôle in the sound economy of the world.

But the labeling of these garments would be tremendously deceptive to the consumer. Let me illustrate.

One class of fabric that is very widely sold to-day is a 28 to 32 ounce all-wool fleecy overcoating. These goods are fluffy and beautiful to look at. They will not wear, and yet they can be labeled "all virgin wool." Whereas there are numerous makes of fine kersey and melton overcoatings, the very finest, in fact, that are made up in the world, that have a very large percentage of shoddy or reworked wool in them, and there is practically no wear out to these fabrics. The consumer can get good service out of them for many years. And yet it is deliberately sought to pervert men's minds and to destroy their respect for these worthy fabrics.

There are numerous examples of cheap all-worsted suitings made. They are flimsy, they will not hold seams, they will give no wear, and yet can be labeled "strictly virgin wool," whereas if cotton is introduced into the warp or weft and mixed with this wool a very good wearing fabric will be provided for the man of very moderate means.

In the case of cassimere suitings we frequently encounter strictly virgin-wool fabrics that have neither selling quality nor wearing quality to commend them. They are flimsy and unreliable. On the other hand, we find innumerable examples of suitings which contain a moderate admixture of reworked wool or shoddy which are firm, hold their shape, give excellent wear, and provide as satisfactory clothing as there is manufactured.

I might go on and give numerous illustrations of how "all wool" means absolutely nothing so far as wear and quality are concerned, how the fabric containing either shoddy or cotton may mean everything in the life and service of the fabric, but in a general way let me say that the percentage of cotton or shoddy or reworked wool or wool substitutes that goes into a fabric gives not the slightest indication of the wearing quality of the fabric. Some fabrics made entirely of wool would be unserviceable and impractical, whereas with the introduction of a certain amount of cotton or shoddy they may be made to give the service required. . . .

MR. GOLDMAN. Here are three samples of overcoat fabric that contain a large percentage of shoddy, of reworked wool.

SENATOR WATSON. Do the people who make these goods say what amount of wool and what amount of shoddy they contain?

MR. GOLDMAN. No, sir.

SENATOR WATSON. How do you know what they contain?

MR. GOLDMAN. We know that this contains shoddy, and they do not deny that it contains shoddy, and it is a class of fabric that practically always contains shoddy. These are kerses and these others are meltons. We sell these garments for about \$10 more than we sell these others. These contain about 10 per cent more shoddy than this other. Now, I want to make a conservative statement, and I will say that these goods that contain shoddy will wear about five times longer than these all wool goods. That is our experience and is the experience of clothing manufacturers generally, I think. . . .

PRICES FOR RAG CLIPS SHOW GREATER REACTION THAN FOR WOOL.

They have sought to create the impression that because of the present system the price of shoddy was considerably higher than it would otherwise be and was costing more and more. The reverse is the absolute truth. Clips can be sold to-day for only a very small fraction of their normal price. They have shown an even greater reaction in price than has raw wool. It is pretty serious business when an attempt is made like this one in a time when business depression has created tremendous problems for all industry, and every manufacturer is confronted with the necessity of readjusting himself and his business to the changed conditions that have come about, for a relatively small industry to upset vast business interests that through many, many generations have developed certain types of fabrics which long experience shows to be those best suited to our national requirements and not a moment's consideration should be given to the attempts to put through any such bill as is now proposed.

The clothing manufacturer, if this legislation is adopted, will not sell any less clothing. He will make up whatever fabrics the market offers and will not be injured in his pocketbook one way or the other, and my appearance here is not because of any financial interest that the clothing manufacturer has in this legislation, other than the added cost of labeling, which he must pass on to the consumer. But my appearance here is to try to block an attempt to fool the consumer of clothing by misleading him as to the wearing qualities of the clothes that he is to buy, to oppose something that is so uneconomic and unsound as this legislation would be, and also because I realize fully what it means to a vast number of woolen manufacturers who have through years of patient study and experimentation developed fabrics that they know will give eminent satisfaction to the consumer through a proper admixture of wool and reworked wool, and who would now be compelled perhaps to change their machinery and their product in an effort to find themselves under the new regulations.

COMPLAINTS ARE AGAINST CONSTRUCTION, NOT AGAINST MATERIALS USED.

I have one or two other matters that I want to touch on, if you please. I referred to the fact that I was the chairman of the Mutual Adjustment Bureau of the cloth and garment trade. We have thousands of cases, in the course of a year, that come before that bureau for adjustment. I have never yet heard of a single instance where any case has been brought before that board that had anything to do with the fact that the fabric contained reworked wool instead of new wool. Our complaints that come before that board have largely to do with the construction of the fabric. Whether it be all wool or all worsted or all cotton, or whatever it may be, we never have had any complaints that I know of come before that organization with regard to reworked wool in the fabric. . . .

SENATOR FERNALD. Why should there be a difference of \$10? Does it cost you any more in the way of labor to manufacture a suit containing nothing but virgin wool than one containing shoddy? See if you can answer that question. . . .

MR. GOLDMAN. A coat made up of this material (exhibiting a piece of melton cloth) is made up differently than this (exhibiting a piece of fleecy cloth). I did not intentionally intend to mislead you by my statement. It probably is not fair. But when we get a fabric of this smooth surface it becomes a more dressy overcoat and we put more tailoring into it, and that is one of the things that most people cannot understand about the clothing business. We start to show, say, eight grades of clothing. The lowest grade has one type of lining in it; the next grade has a little better lining and the next grade has a still better lining. Then we have the same thing in the matter of tailoring. We grade our goods up from the lowest, and they gradually rise and everything rises with them. The cloth is only one factor, but as the cloth gets better everything else goes up with that better cloth. So it is with this overcoat. If we are going to get this dressier overcoat we put more into it, and it costs \$10 more to make it, although the cloth in one case is shoddy, where this is all wool. That is the situation.

SENATOR GOODING. And it will wear five times as long?

MR. GOLDMAN. And it will wear five times as long.

SENATOR GOODING. I want you to repeat that so we will have that in the record.

MR. GOLDMAN. Yes, sir; it will wear five times as long.

SENATOR GOODING. That is what I want to get into the record.

MR. GOLDMAN. I want to make this point, too: There has been a statement made here to the effect that big prices have been gotten for shoddy fabrics. Now, I simply want you men to realize that there is not anything manufactured in this country, in my belief, that is sold on a narrower margin of profit than woolen and worsted goods. This business is the most keenly competitive business that I know of.

SENATOR GOODING. Do you mean that the retailer makes a smaller profit?

MR. GOLDMAN. No; the manufacturers of the cloth. The reason I say that is this: They are dealing with about the shrewdest buyers in America, men that thoroughly understand their business, men who will go from one to the other to save $2\frac{1}{2}$ to 5 cents a yard, and the business, therefore, is keenly competitive, and the goods are sold on the narrowest of margins. In my opinion there is nothing manufactured in America that is sold on a narrower margin of profit. And nobody knows that better than Mr. Walker himself. He is in the woolen manufacturing business, and he knows how keenly competitive that business is, and he knows that nobody is getting away with murder on the price of any shoddy fabrics or any other fabric in the clothing business and stay in the business very long. (Hearings, pp. 220-244.)

IF BILL IS PASSED, LOW-GRADE WOOL WOULD BE USED.

MR. A. L. GIFFORD, Selling Agent for the Worumbo Manufacturing Co. If the French-Capper bill were to become a law it is my belief that the most noteworthy result would be a prompt increase in the production of fabrics made from low-grade virgin wool, owing to the fact that the labels on such materials would be the same as that on fine-quality goods made by such mills as the one I represent,

although the actual difference in value would probably range from two to five dollars per yard.

On many of the fabrics made by the Worumbo Mills, which I represent, practically our only competitor is the European manufacturer. The French-Capper bill would exercise no control over the foreign manufacturer who desires to evade its provisions. The foreign manufacturer may declare his product to be 100 per cent virgin wool. After delivery has been made in this country Government agents may question the quality of the delivery; but if the American agent could show a statement from the foreign manufacturer to the effect that the shipment was 100 per cent virgin wool the Government would be powerless to proceed. Furthermore, even if the material did contain shoddy, it would be impossible to prove it. As I stated at the outset, I am not a woolen manufacturer, but it is my belief that if you wish to know accurately how much shoddy there is in a piece of woolen goods the only sure way to determine it is to see it put into the goods at the mill. (Hearings, pp. 302-307.)

MR. FREDERICK W. TIPPER, of New York, Selling Agent for woolen mills. Fashion in clothes causes a demand for a great variety of patterns and fabrics, but as far as possible, manufacturers of woolens standardize their goods so that the trade knows each season what a fabric is without having to experiment with it.

In the manufacture of these various cloths from wool many factors must be taken into consideration. The principal of these are: (1) Raw materials, (2) the structure, (3) the finish.

No matter how good the raw materials used, whether they are classified as "virgin wool" or "shoddy," unless the other factors mentioned are carried out correctly, an unserviceable fabric will result.

When the Quartermaster's Department required fabrics for suits and overcoatings for the soldiers in the World War, the woolen manufacturers were not allowed simply to make up an O. D. suiting of 100 per cent virgin wool or an overcoating made with the required percentages of virgin wool and shoddy. If this had been allowed, the army would have been clothed in a hundred different fabrics and each one of varying strength, appearance, and wearing qualities.

To the contrary, every detail was laid out in the specifications—the quality of wool, the number of threads, the size of threads, and the finish were all specifically stated. Even under these conditions it is well known that some mills turned out much better fabrics than others.

PROPOSED LAW WOULD CAUSE MISREPRESENTATION.

It is our conviction that if the provisions of the so-called truth-in-fabric bill became law, the stamping of the fabrics with the percentages of unscientifically classified "fibers" would not only fail to give the consumer any idea of value but would actually cause misrepresentation.

The misleading ideas which would be conveyed to the consumer under the provisions of the proposed bill can be readily seen by the comparison of a few of the fabrics which are on the market at the present time.

I wish to present to the committee at this time a sheet containing samples of cloth.

Sheet A shows five men's suiting fabrics, all of which would be marked "100 per cent virgin wool." The difference in the cost of raw materials and of manufacture is so great that the price of the goods varies from approximately \$1.80 to over \$4 per yard, and it will readily be seen that the appearance and quality vary in the same way; the marking, therefore, would give no guide to their value. Sample No. 1 is sold and widely advertised as "virgin" wool, by the only manufacturer to our knowledge who so advertises. It is, no doubt, made of virgin wool, and it is good advertising to say so. The stamping of goods by law is, however, a very different matter from advertising. If it is "the right of the consumer to know," it should also be stated that it is made of low-grade wool with very coarse yarns and has very few threads to the inch. In other words, its structure is very cheap.

There are hundreds of new wool fabrics made in this country, long established on the market, and for which no special claims are made, that are vastly superior in every way and other samples on this sheet show a few illustrations.

The conversion costs from the raw material to the finished cloth of sample No. 5 must be approximately three times as much as sample No. 1.

BRANDING WOULD GIVE NO GUIDE OF VALUE TO THE PURCHASER.

It is not "Truth in fabric" to label all these goods alike—it is only part of the truth, and a very small part. On this ground alone we believe the bill should not be enacted into law, as the only one to benefit would be the manufacturer of the cheaper grades of new wool goods, and the consumer could have no possible guide to their value by this marking.

I might say here, Senator, that I purposely did not include the very cheapest of the new wool fabrics on that sheet.

Similarly, on sheet AA, I show a few ladies' dress goods fabrics, to which the same general conditions apply.

SENATOR FERNALD. These are all wool, are they?

MR. TIPPER. Yes; they are all new wool.

SENATOR FERNALD. Could you tell that they were all virgin wool if you did not have a statement from the manufacturer?

MR. TIPPER. Some of them; yes. These three (indicating samples) are worsteds, and we all know in the business that worsteds cannot be made except out of new wool. The process is such that it cannot be done. These other three (exhibiting three other samples) are worsteds made in the same way. The other two fabrics we could only judge, and not be quite sure of, because it would be possible to use some grade of material which would be classified as shoddy under the proposed bill, which might give just the same appearance, and it would be impossible to detect it.

Sheet B shows two fabrics, B-1 and B-2. Both of these would be marked as containing shoddy, but the shoddy content is not a real guide to the value. B-2 is very much finer, has more threads, and is in every way a better cloth than B-1. . . .

SENATOR FERNALD. How do you know there is shoddy in these?

MR. TIPPER. Because the manufacturer told me so.
 SENATOR FERNALD. That is the only way you could determine?
 MR. TIPPER. Well, it is the only way I could be sure.
 B-3 is 100 per cent virgin wool, whereas B-4 contains shoddy. B-4 has been made by the same mill for a number of years, has given satisfactory service, and for the average man (who does not have a number of suits of clothes) is a much more satisfactory fabric. Incidentally, it costs more and sells for more money than B-3. Here, again, a statement of the raw-material content is no index of value.

Sheet C shows two overcoatings. Sample C-1 contains less shoddy than sample C-2, but cannot give nearly such good service. Due to the same conditions, that the structure and the finish have more bearing than the raw material. It is interesting to note that a clothing manufacturer, before putting sample C-2 in his line, had his chauffeur wear an overcoat made from this fabric throughout last winter, in order to test out the wearing quality of the fabric, and found it stood the hard test excellently.

Sheet D shows the comparison between overcoatings which would be stamped "virgin wool" and fabrics which would be stamped with percentages of shoddy. D-1 and D-2 are virgin wool and sell at \$3 and over \$5, respectively; D-3 and D-4 contain shoddy; both of these latter samples sell at less money than D-1 and less than half the price of D-2. In spite of the lower prices, there can be no question as to the relative wear of the fabrics shown; D-3 and D-4 will undoubtedly give better service.

RAW MATERIAL STATES ONLY PART AND A MISLEADING PART OF THE STORY.

In these cases, also, raw material states only a part of the story and what can be a very misleading part. The raw materials used for all the samples on this sheet are good materials and can be made into serviceable fabrics or unserviceable fabrics—it is the structure and finish which have a much greater bearing on the wearing quality than the raw material.

It has also been emphatically stated by the principal supporters of the proposed bill that manufacturers use shoddy in their goods in order to deceive the public and obtain the price of virgin wool.

Sheet E shows samples E-1 and E-2, made by different manufacturers, but sold by the same selling agent. E-1 which contains shoddy is sold at 60 cents per yard below E-2. In the same way, E-3 is made of new wool, and E-4 contains a percentage of mill waste which would be marked shoddy. E-4 is sold about 40 cents per yard below E-3 and we believe will give practically the same service. The manufacturers of E-1 and E-4 are not deceiving the public—they are giving good, serviceable merchandise at a low price.

Sheet F shows two samples of kerseys. Kersey is a trade name for a staple overcoating fabric that has been made for many, many years. Sometimes it is not worn as much as at other times on account of fashion, but it is a standard fabric just the same as a cotton duck.

Sheet F shows two samples of kerseys which are used for men's overcoats and both of which have been on the market for over 20

years, and have proven reliable and serviceable fabrics. F-1 is of new wool and sells at more than twice the price of F-2, which contains shoddy. No fabric like F-2 can keep its place on the market year after year without proving its value, and it is our belief that should the consumer see an overcoat made from this material labeled part shoddy, he would not believe that it was made from the same cloth as the overcoat he had bought in previous years; would be deceived as to its value and might easily buy a garment marked virgin wool which would be offered at the same price, or higher price, and might be distinctly inferior in value.

The samples shown are collected from fabrics now in the market. Every one of them is made by mills well known to the trade, and these samples could be multiplied ad lib., but we believe that they are sufficient to convince you of the impossibility of trying to convey any idea of value or wearing qualities by simply stating the percentages of raw materials, arbitrarily divided into two classes, one of which would be judged by the consumer as good and the other as bad.

"Truth in fabric" means much more than a statement of raw-material content, and to set up standards according to the provisions of the proposed bill is entirely contrary to a true grading of fabric values.

If such a bill were enacted into law, it would cost a large sum of money each year to enforce, with no return to the public except information which is so small a factor in determining value and service that it is worthless. (Hearings, pp. 363-366.)

MR. A. A. WHITMAN, New York City, of the William Whitman Co., said: It is perfectly evident from the comments which have appeared in the press, and particularly from the statements made by the chief advocates of the so-called truth-in-fabric law, that there is a very widespread misunderstanding of the fundamental facts of cloth weaving and a surprising general ignorance of many of the simplest details of that trade.

The very word around which so much of the present agitation centers is perhaps the best illustration of this. "Shoddy," as the word is used in popular language, is a term of reproach, this definition having been fastened upon it at the time of the Civil War, when unscrupulous war profiteers palmed off upon the Government for the use of our soldiers cloths of very poor quality, poorly made, and of low-grade fibers, both of virgin wool and mill waste, which is also virgin wool, and of recovered wool or shoddy. To the mill man, however, shoddy takes its place as one of the very important raw materials available, according to its grading of fine or coarse, strong or weak, soft or harsh, and so on, for working into cloth in order to produce some desired result of finish, strength, warmth, cost, etc., in just the same way that the various grades of new wool are used to produce the results for which they are suitable. To the manufacturer or merchant such statements as these seem elementary in the extreme, but unless these terms are clearly understood it is evident that manufacturers and laymen are apt to discover that they are speaking different languages, and misunderstandings are inevitable.

The word "shoddy" in the woolen trade has a technical meaning and is a technical expression and is understood to mean nothing more nor less than pure wool reworked from old cloth or wool which has

been spun or woven. To the lay mind it means something unworthy. If you were to ask almost anyone what they think of when they say "shoddy" they will say that they think of all sorts of unworthy goods. Many people think it means cotton. Many people think that it is material that is picked from the gutter, and all that sort of thing. That is distinctly the layman's understanding of the word. It is just as different technically as can be. I would like to read section 14:

That the term "virgin wool" as used in this act shall mean wool that has never previously been spun or woven into cloth; the term "shoddy" shall include any material obtained from any fabric or clippings of cloth of any fiber whatever, or secured from rags or from used apparel of any description, or any fiber that has been previously spun or woven into cloth, as well as wood, hemp, jute, flax, and hair fiber not properly classed as wool, of any description and from whatever source obtained; also fur, feathers of every description and from whatever source obtained.

AN ATTEMPT TO LEGISLATE DEFINITION OF SHODDY.

That means that we are going to legislate a definition for "shoddy," which will bring about the meaning as used in the vernacular, a term that has no application whatsoever to the trade; a term which is unknown to the trade. It is a definition that completely changes the proper meaning of the word. It is quite evident that we have been talking without quite sufficient reference to that distinction. We have been speaking of shoddy here as wool. Now, if you are going to mark clothes, give the percentage of new wool, the percentage of cotton, the percentage of shoddy, and the percentage of silk, you have left out altogether the component of "pure-wool shoddy," which has not been marked; that has not been taken care of at all.

The proposed bill undoubtedly makes its appeal for support on the claim by its authors that shoddy, which they assume to be inferior to new wool, is used at all times by manufacturers of wool textiles as a substitute for new wool, in order to cheapen its cost while enabling him to deceive his customer into the belief that the fabric is made entirely of new wool, and so, fraudulently obtain a higher price for it than the customer would pay if he knew that it contained shoddy.

In making this play for popular support of their bill, the National Sheep and Wool Bureau have undoubtedly very cleverly counted on the ignorance of the public, and to strengthen this support have not hesitated to still further fasten on the public's mind the fallacy, that, because of its virginity, wool is necessarily good and cloth made from it is good and because the fiber has been previously spun or woven, the cloth in which it is used is necessarily of low quality. To at once see how false this statement is, it is only necessary to know the barest facts about new wool. Certainly anyone who knows anything about the subject knows that various breeds of sheep yield wool varying in quality to extremes of fineness, strength, length of staple, and so forth, and even from individual sheep, wool

is obtained running all the way from the best fibers, taken from the sides and shoulders, to the poorer qualities from belly, throat, and head, and even the short coarse product of the legs and the knotted and dung-filled tags, known as locks. All these qualities are virgin wool under the Capper bill; and in addition to these is the so-called "pulled" wool, taken from the skin of dead sheep, which is frequently so weak as to be of very little serviceability. In fact, every kind of wool waste, even the sweepings from the factory floor, are classed as virgin wool, so long as they have not actually been spun into yarn or woven into cloth. Every grade of wool, however, retains its original characteristics of qualities when it is spun and woven into cloth.

The greatest skill and ingenuity have been brought to the problem of recovering these fibers from the woven and knitted fabrics, and in spite of the fact that they are broken into short lengths and, if the cloth has been subjected to wear, have lost some of their strength, they are still wool and have the same characteristic of fineness that they originally had. This reclaimed fiber is the shoddy of the woolen trade. . . .

GOOD CONSTRUCTION DEPENDS UPON SPINNING AND WEAVING.

Reference has repeatedly been made in the discussion of these bills to the necessity of considering the construction of the cloth as an even more important element in quality than the fiber used. The word "construction" is another one of those terms glibly used by manufacturers and merchants, but apt to be entirely misunderstood by the layman. It refers to the way the yarn is spun and to the way it is used in weaving the cloth. If the wool is twisted loosely the fibers are not bound firmly together, and while the yarn in that case is soft and suitable for certain purposes, it has not a great deal of strength. If you will unravel a thread of warp or filling from any piece of wool cloth you will readily prove this by twisting it tightly or untwisting it and testing its strength. You will also notice as you untwist it between your fingers that it is made up of one, two, three, or even more strands, each twisted to a certain tightness to produce just the result desired in the finished cloth. In weaving these threads together the greatest skill is required to achieve just the effect desired in the finished material. A large number of strands to the inch each way will produce one effect, while fewer strands to the inch will produce another. A large range of results of strength, warmth, appearance, durability, etc., may thus be obtained by the use of the very same fiber to start with, and it is evident that by naming that particular kind or grade of fiber it would be impossible to tell what kind of cloth would be produced.

The Government Army specifications for material for soldiers' uniforms went into elaborate detail as to the quality of wool, twist and ply of the yarn, construction of the cloth, etc., seeking to give each manufacturer the same receipt for the cloth required. but, even so, the production of some mills was far better than others, and some manufacturers had their deliveries refused altogether. What guide would the manufacturers have had if these specifications had merely stated the amount or percentage of new wool or shoddy to be used? Absolutely none. . . .

INTENTION IS TO CREATE PREJUDICE AGAINST SHODDY.

The advocates of this legislation constantly refer to cloth made of old dirty rags reworked often as many as eight times. Nothing can show more clearly the intention to create a prejudice against this useful material. The recovered wool is graded in the most exacting way, just as new wool is, and is bought by the manufacturer with careful discrimination as to the quality and grade which will produce the particular result he desires. In the *Daily Mill Stock Reporter* may be found every day quotations for from thirty to forty grades and qualities of reworked wool. . . .

If it is possible to recover the fiber as often as eight times, it is most unlikely that it could be spun at all, and it could probably be used only for felt packing, linings for cheap rubber boots, weather strips, and similar products. . . .

If the Capper bill is enacted and the unwarranted stigma is placed on shoddy, the purchaser will, by his ignorant prejudice, be led to pay a higher price for cloth not so good, or to choose a cloth of less worth for the same price. It is no argument to say that the consumer will become educated to the value of shoddy and will learn to select it with proper regard for its value. In spite of the widespread knowledge we have today as to the merits of oleomargarine, it is doubtful whether a rush of guests could be secured by a hotel advertising that oleomargarine is used in its kitchen. It would probably not prove good advertising for a restaurant to announce that it serves only beet sugar to its patrons, even though they may know that sugar from the beet and sugar from the cane are identical in every respect.

There is one phase of the carrying out of this law that seems to us to present very great difficulties, and that is the enforcement of the proper stamping of foreign goods. While it is a very simple matter to determine the percentage of cotton or silk in a given fabric, it is not possible to determine by analysis or otherwise the presence of shoddy. As there can be no way of inspecting the processes used in the production of these foreign goods, there is a possibility of the actual contents of the fabrics differing very materially from the marking attached, and even in a case where obviously the goods are not as marked, still the deception could not be proven. (Hearings, pp. 245-254.)

SIX HUNDRED AND FORTY DIFFERENT KINDS OF WOOL.

Mr. CHARLES J. WEBB (wool manufacturer and wool merchant of Philadelphia). When I was down here before this committee the other day, I made a few statements about 640 different kinds of wool, and I said that the question of virgin wool meant nothing. I have brought a few samples of wool with me here to-day, taken from samples that are standard for the United States Government.

Here is a sample of wool that comes from India—virgin wool, known to the trade as "Marwar" (exhibiting sample).

Now, here is one from Madras (exhibiting another sample of wool). All these wools were subject to duty when we had the duty on wool.

Here is wool that comes from Turkey. We buy that, pick it up, and put it in the back of goods, because it is cheaper than shoddy. That is the wool which they gather up from Bagdad and different sections of the country, put it in a mattress, and lie on it for years, and then when they rip the mattress up they take it out and sell it.

Now, here is another sample of wool (exhibiting sample). This comes from Russia—Calmuc wool.

I only want to say to you that those are virgin wools, if you please. In other words, I told you the other day that the words "virgin wool" mean little to the man who does know and does understand his business, but to the man that does not know, wool is wool. But when you talk to the man who knows this business you must tell him all about this wool. You must tell him what it spins; you must tell him what are the shrinking qualities of this wool, and what are the classifications. Wool is just like an individual. Every fleece is different.

I brought you these samples of wool, gentlemen, so that you can see what virgin wool is. I can make you a piece of goods out of these samples very handily. And the goods made out of this wool will be stamped "virgin wool." But I can also make you a piece of goods out of good by-products, and you could not tell that that piece of goods was not virgin wool. But the minute you would look at a piece of goods made from these samples of wool (exhibiting samples of East Indian and Turkish wool) you would know something was wrong. And the whole situation resolves itself into this, and this is the error that arises from the whole situation, and the fact is that the average man who is not in the business thinks that wool is wool, and does not know that there are 640 different types of wool. There is the whole story.

Now, there are some wastes that are better than wool for some purposes. For making certain kinds of cloths broken tops are better than wool, because it has no nubs in it, no second growth, no second clip.

Now, it is all in the manufacture of woollen goods. One man will take the same material that another man would take in manufacturing cloth and make a piece of goods that you and I would not buy. And then another man will take the same material and put the picks in it and the ends in it, and in the finishing of the goods he will go through a great many processes and it is the finish that makes the goods, as the gentleman described here.

Now, I have spoken to some of my wool growing friends—I don't know whether there are any of them here to-day or not—and I have said to them that my interest is their interest, and their interest is my interest. I have quite as much money locked up in wool-growing as they have, and maybe I have more, because I think I am holding the bag to-day; and what is the use of spending your time and everybody's time passing a law concerning which they would say, if they really knew all the facts in the case, "Don't pass it?" I am so confident of that that I am almost willing to try to convince them, if they will give me twenty minutes to do so. (Hearings, pp. 366-370.)

CARDINAL OBJECTIONS TO COMPULSORY BRANDING OF WOOL TEXTILES

1. Branding of wool fabrics to show only their fiber content cannot have any relation to the durability, warmth, or other desirable properties of the fabric and hence at best is useless, and at worst is misleading.

2. The distinction between wool fibers "previously spun or woven" and those spun or woven the first time cannot be established by physical or chemical test. It can only be made certain by knowledge of the fibers' actual history—a difficult matter to make sure of without costly systems of oaths, inspections, and bondings.

3. The knowledge of fiber content provided for by the proposed law would not only be useless or misleading to the consumer, if accurately transmitted to him, but the process of making sure that it was accurately transmitted to the consumer opens up chances for fraud not offered by the normal channels of commerce. Claims of merit implied in false declarations under the law would be extremely difficult to refute.

4. Branding to show only fiber content would be bad enough if it were merely made optional under a Federal registration and branding system. To make it compulsory puts a needless and costly handicap on all honestly conducted wool fabric business, and in addition to offering no hindrance to dishonest persons, opens up to them new chances for deception. It is not unlike a Federal statute requiring all men to wear a button telling how many times they have been to Boston. If honestly lived up to, it is meaningless, and whatever advantages may be gained from compliance are open to the just and the unjust alike, regardless of the facts.

5. Compulsory branding of the sort contemplated, if honestly and effectively done, would cost something. That cost would be justified only if the return to the public were valuable and certain. It could be neither of these.

6. The wool growers who expect that this project will raise wool prices are deceived, first, as to the amount of reworked stock used, second, as to its use as a substitute for wool instead of as a supplement to the wool supply as is actually the case, and third, as to the facts concerning the relative prices of new and reworked stock and the fabrics made from them. These facts have been brought out repeatedly.

7. The project does not provide for "Truth in Fabrics" but for the compulsory branding of incomplete assertions, the accuracy of which is incapable of proof or refutation and the implications of which are deceptive.

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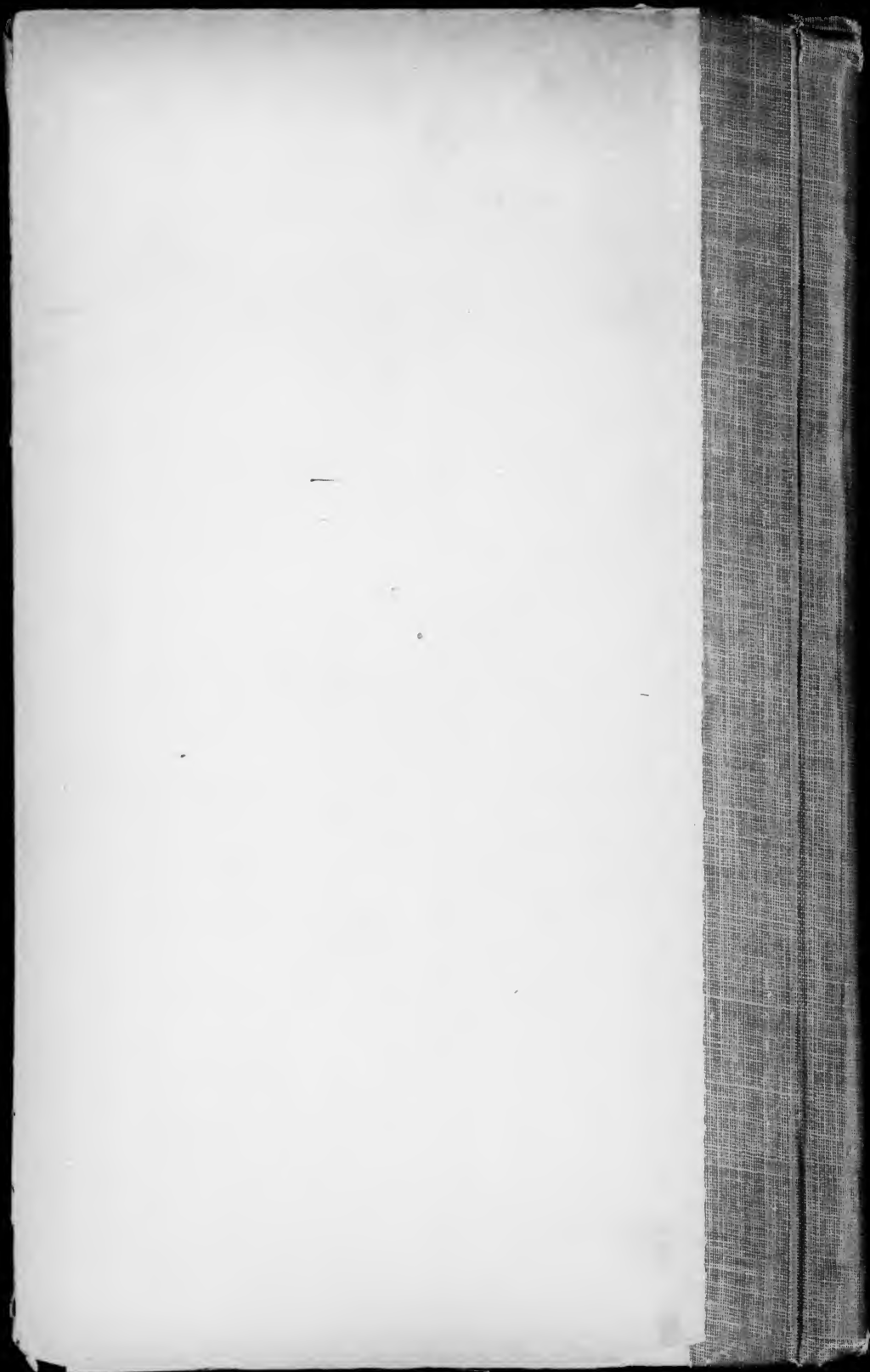
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